

# NATO VOW: NO COMPROMISE

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

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London, Saturday-Sunday, April 24-25, 1999

No. 36,124

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## At Summit, Allies Face Ground Forces Question

By Joseph Fitchett and John Vinocur  
International Herald Tribune

WASHINGTON — NATO leaders started the alliance's 50th anniversary summit Friday with an urgent war council on Kosovo that participants said would be dominated by the question of whether to use allied ground forces to end Serbia's military offensive in the province.

Five weeks into a sustained bombing campaign, the leaders recognize that the test of their summit will be success or failure in producing a tougher battle plan suggesting that the intervention in Kosovo can succeed quickly enough to keep the conflict from spreading and to prevent splits developing in Western solidarity.

The 19 leaders rejected a Serbian diplomatic overture that seemed to be timed with a view to dividing the summit.

"NATO will not allow his campaign of terror to succeed," a draft statement declared. In the text of the proposed summit declaration, obtained by Agence France-Presse, the allies said

that there could be "no possible compromise" on NATO's five previously stated demands, which include the withdrawal of all Serbian forces from Kosovo and the return of all ethnic Albanian refugees.

The North Atlantic Treaty Organization would be prepared to call a halt to the air campaign in Serbia only following a "clear" agreement from Belgrade to all the allied conditions and the start of a Serbian troop pullout from Kosovo, the document said.

Officials in the Washington consultations said that there was total resolve among the allies to impose a clear defeat on the Milosevic regime and end his authority in Kosovo.

Earlier, President Bill Clinton told NATO allies, "When we fight, we fight to prevail." He said, "We send a clear message of unity and determination to sustain our air campaign for as long as it takes."

"Milosevic must know there is no place for his policies in Europe on the eve of the 21st century," the NATO secretary-general, Javier Solana Madariaga, said in opening the summit's first session, one devoted exclusively to Kosovo.

NATO marked the opening with one of its heaviest bombing nights in Serbia, temporarily knocking Serbian state television off the air in an attack on studios in Belgrade. Yugoslav officials said that 10 people died, with 18 wounded and 10 more missing.

Discussions in Washington were dominated, officials said,

by a topic not officially on the agenda: the use of ground troops, which remained controversial. "No leader wants to resort to ground troops, with one exception. Tooy Blair," a European ministerial participant said. While Mr. Blair, the British prime minister, is said to be more ardent about it than his own foreign and defense ministers, the British team has been urging allied countries to ready ground forces as an immediate option for the Kosovo campaign and as a signal of allied determination.

The energetic British lobbying has visibly started having some impact on other allied leaders, notably on Mr. Clinton, who is widely seen by his major European counterparts as the most reluctant leader of the most reluctant government about committing ground troops. Mr. Clinton is also by far the most important leader in such a decision because most of the troops would have to come from the United States since European nations could provide less than half of the troops required in any scenario.

In Washington, Mr. Blair has been highly effective in making the case for a stepped-up NATO offensive. In separate closed-door sessions several hours long Thursday in Congress, Mr. Blair "swung some key votes" in favor of NATO escalation,

according to a Senate source. Publicly, it has become hard in the last 48 hours to turn on television in the United States without finding Mr. Blair or a British cabinet minister hammering home their justifications for the war with a clarity and conviction that impressed U.S. lawmakers, who have complained that Clinton administration officials often seem to betray discomfort or lack of conviction about the NATO campaign.

The British message was crafted to fuse political themes with humanitarian outrage and common sense into a single message: that Mr. Milosevic has done evil things and cannot be trusted in any deal involving just his word; that Europe cannot tolerate war and inhuman brutality comparable, on the Balkans scale, to World War II; that Europe cannot be safe without NATO and finishing the job in Kosovo is vital to preserve the credibility of the alliance.

The British saw off the Russian-brokered call for NATO to suspend the air strikes and start negotiating on an international presence in Kosovo. Before any Western leader could be tempted, Mr. Blair appeared on U.S. television and bluntly ruled out any compromise, in effect stiffening the U.S. re-

See SUMMIT, Page 4



President Clinton, right, talking with Prime Minister Tony Blair during the Washington NATO summit Friday.

## Blair Grabs Role as Alliance Hawk

By Tom Buerkle  
International Herald Tribune

LONDON — He is supposed to be the junior partner in the "special relationship" between Britain and the United States. His armed forces are contributing fewer planes to NATO's bombing operation in Serbia and Kosovo than the French.

But when it comes to political leadership of the alliance's Balkan campaign, Prime Minister Tony Blair is taking a back seat to no one.

Not constrained by political opposition at home and boasting unrivaled credibility both in Washington and in

European capitals, Mr. Blair has led the way in marshaling public support for the bombing and toughening the alliance's demands.

In the past week, Mr. Blair has effectively called for the removal from power of President Slobodan Milosevic of Yugoslavia, and pushed for NATO to consider sending ground troops into Kosovo sooner rather than later, without an agreement with Mr. Milosevic.

On Friday, as leaders gathered in Washington for the North Atlantic Treaty Organization's 50th anniversary summit meeting, Mr. Blair dismissed a Russian-brokered peace offer as falling well short of alliance demands for a full

Serbian withdrawal from Kosovo and the return of ethnic Albanian refugees. "We have got to carry on with this air campaign and intensify it until these demands are met," he said.

Mr. Blair also has set ambitions that go beyond the current conflict, proposing to rewrite the rules of global security for the 21st century with "a new doctrine of international community." The doctrine, outlined in a speech in Chicago on Thursday, would justify intervention in the internal affairs of sovereign nations by drawing on the lessons of Kosovo. "This is a just war, based not

See BLAIR, Page 4

## Losing Ally, Gandhi Falter In Bid to Form Government

By Pamela Constable  
Washington Post Service

NEW DELHI — Prospects for forming a new Indian government dimmed sharply Friday when a key ally broke ranks with the opposition leader Sonia Gandhi, substantially raising the odds that India will have to face midterm parliamentary elections within the next six months.

The governing coalition headed by Prime Minister Atal Bihari Vajpayee lost power last Saturday by a one-vote margin in Parliament. Mrs. Gandhi, who heads the Congress (I) Party, had said she would try to form a minority government by Friday with support from other small parties.

But those hopes were suddenly dashed when Mulayam Singh Yadav, a 55-year-old legislator and populist party leader from Uttar Pradesh state, unexpectedly announced that he would support neither Congress nor Mr. Vajpayee's Bharatiya Janata Party in the

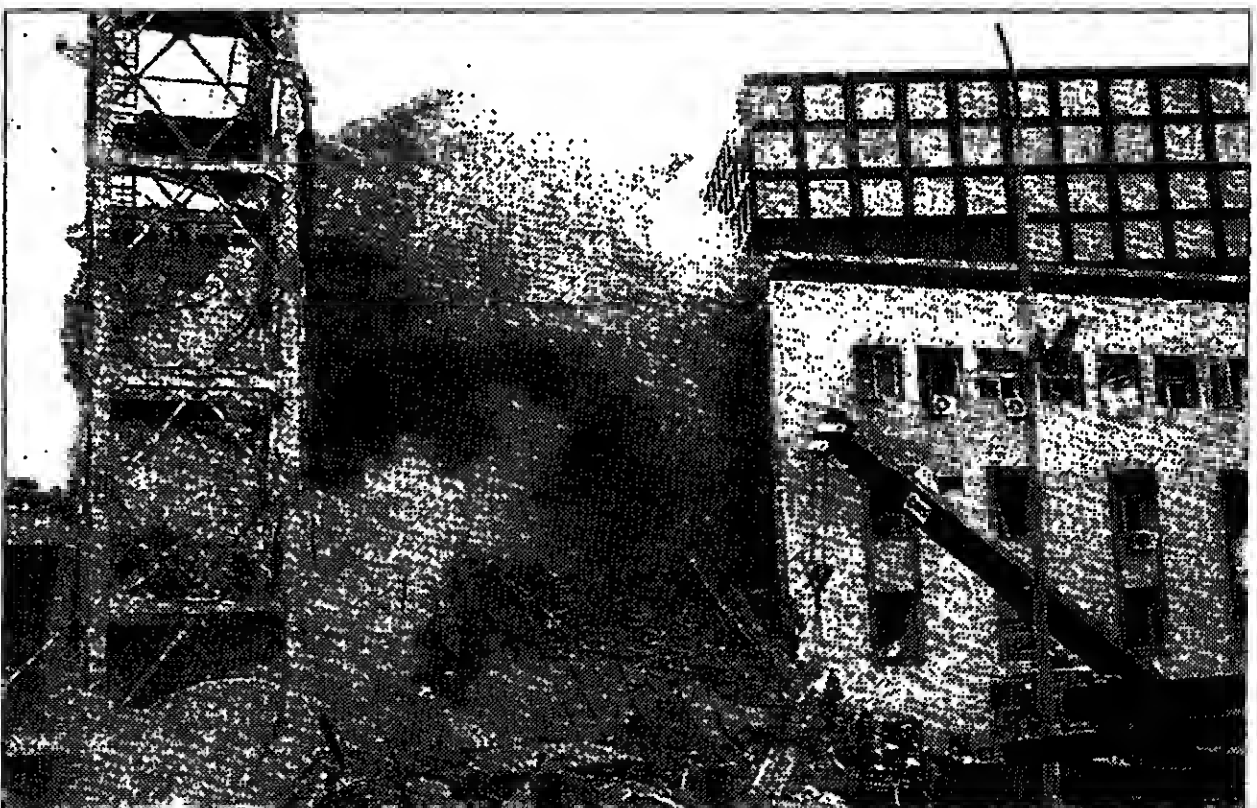
political crisis. That decision robbed Mrs. Gandhi of 20 crucial votes she needed to form a solid government, and threw India's political calculations up in the air.

"The numbers do not add up," Mrs. Gandhi acknowledged Friday after meeting with President K.R. Narayanan, whom she told she could muster only 233 of the 270 votes needed, at minimum, to form a government.

But in a brief meeting with journalists, Mrs. Gandhi said the president had given her more time to work on building support, and she did not rule out a coalition government.

Mr. Narayanan, a nonpartisan appointee, has the constitutional authority to decide who should try to form a government in Parliament. If no group appears able to garner the necessary support to sustain a vote of confidence, he also has the authority to call for midterm elections.

See INDIA, Page 5



A cloud of smoke rising from the smoldering ruins of the bombed Serbian state television station Friday. Page 4.

## Out of the Dark, Into the Mainstream: America's Cult of Violence

By Kevin Merida and Richard Leiby  
Washington Post Service

WASHINGTON — In what used to be the dark corners of American culture, there are a prime-time cartoon with a neo-Nazi character, comics that traffic in bestiality, movies that leave teenagers gutted like game, and fashion designers who peddle black-leather masks and doomsday visions.

It's all in the open now, mass-produced and widely available. Celebrated even. On countless personal computers, killing is a sport. And then

there's Marilyn Manson, a popular singer who named himself after a mass murderer and proclaims he is the Antichrist.

Film, television, music, dress, technology, games: They've become one giant playground filled with accessible evil that is darker than ever.

After any tragedy involving children, commentators strive to find cultural signifiers that will somehow explain the carnage. Fifteen dead in a prosperous suburban high school? The killers part of a clique dubbed the Trench Coat Mafia? The reach for explanation is irresistible.

Some will consult the lyrics of Marilyn Manson and the German industrial band KMFDM or cue up a video of "The Basketball Diaries."

Others will peruse the new comic book "The Trenchcoat Brigade." And did anyone notice that the friend of the killers being led away Tuesday was wearing a black "South Park" T-shirt featuring the cartoon character Kenny, who is bloodily dispatched in every episode?

And yet any such zeroing-in may overlook the bigger picture: For young people, the culture at large is bathed in blood and violence, a Grand

Guignol where the more extreme the message, the more over-the-top gruesomeness, the better.

Consider this: Of the 11 major movies released on video in the United States since April 6, seven have violent themes. "Apt Pupil" is about a high-schooler obsessed with Nazism. "American History X" is about the rise and fall of a skinhead, and "I Still Know What You Did Last Summer," a teen-slasher sequel.

"There's no question in my mind that film and

See VIOLENCE, Page 3

## Ethiopian Fossil May Be 'Missing Link'

By John Noble Wilford  
New York Times Service

NEW YORK — Digging beneath a plain in Ethiopia, paleontologists have found a skull and other fossils of what they say is a new prehuman species, possibly the long-sought link between apes and the human family. Near the site, other scientists discovered the earliest known traces of stone tools used to butcher animals. Judging by marks on some ancient antelope bones, hominid-like creatures who gathered long ago beside a shallow lake used chipped stones to slice meat and other stones to crack leg bones to get at the nourishing marrow.

This was probably the work of members of the new species, the discoverers

of both sites say; but in any case, the butchered bones are strong evidence that the first toolmakers were able to feast increasingly on meat, which could have influenced the course of human evolution.

Both finds, reported Friday in the journal Science, were dated to 2.5 million years ago, in the middle of a shadowy but pivotal period in human prehistory. The fossil record for hominids, human ancestors and their close kin, is frustratingly sparse between 3 million and about 2 million years ago. Yet this was the time when hominids took up toolmaking and evolved from the small-brained, apelike australopithecines into the first members of the Homo genus.

The discovery team, led by Berhane

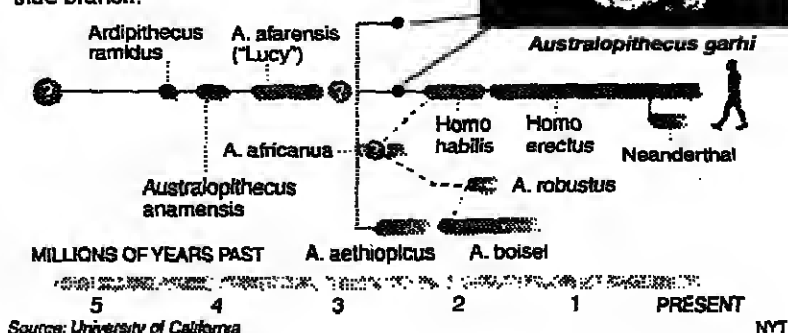
Asfaw, an anthropologist with the Rift Valley Research Services in Addis Abeba, Ethiopia, named the new species *Australopithecus garhi* (garhi means surprise in the language spoken by the Afar people in the region where the fossils were found).

"This species is descended from *Australopithecus afarensis* and is a candidate ancestor for early Homo," the scientists concluded. Characteristics of the skull, teeth and limb bones seemed to mark the species as a descendant of *A. afarensis*, which lived from 3.7 million to 3 million years ago and is famously represented by the "Lucy" skeleton from Ethiopia. Even earlier species of australopithecines,

See FOSSIL, Page 5

### Another Link?

A newly discovered species, dated 2.5 million years ago, is a possible link between apelike ancestors and the more evolved Homo genus or is on a side branch.



Source: University of California

NYT

### AGENDA

#### UN Bars U.S. Bid To Criticize China

GENEVA (AP) — U.S. efforts to rebuke China over its human rights record failed Friday when members of the United Nations Human Rights Commission voted to block any action on a motion critical of China.

The rights watchdog voted, 22 to 17, in favor of a Chinese proposal to take no action on the American proposal and head off formal criticism. Fourteen countries abstained.

The U.S. motion expressed concern at "continuing reports of violations of human rights and fundamental freedoms in China" and "increased restrictions on the exercise of cultural religious and other freedoms of Tibetans."

The Dollar			
	Friday 4 P.M.		previous close
New York			
Euro	1.0615		1.0636
Pound	1.6157		1.6157
Yen	119.38		119.68
DM	1.9428		1.9412
FF	6.1789		6.1732

Dollars per pound and per euro.

#### The Dow

Friday close previous change

-37.51 10,689.67 -0.35%

#### S&P 500

Friday close previous change

-2.03 1,356.80 -0.15%

#### Nasdaq

Friday close previous change

+28.91 2,590.52 +1.13%

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Great Britain	UK £1.00	Saudi Arabia	10 SR
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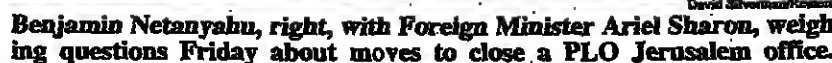
## *Few Are Neutral About Israeli Leader, Either on the Right or Left*

It is as if Mr. Netanyahu's world view has collided with his self-image: Like Israel, he, too, is surrounded by the

In the prime minister's view, they demonize him largely because they still hold him accountable for the assassination of former Prime Minister Yitzhak

Some of that opposition is quite fresh and drawn from firsthand experience. Two of his former cabinet members — former Defense Minister Yitzhak Mordechai and former Science Minister Benny Begin — are running against him.

"The right attacked me oo Wye," he said. "They said not that I wasn't keeping my word, but that I shouldn't have kept my word because it was only campaign rhetoric. So yoo had here this incredible alliance between the right, opposed to peace, and the left, which was supposed to give me a safety oet for



But Mr. Netanyahu indicated that he was reluctant to trust him as a partner in peace, and that he remains distrustful of the Palestinians' acceptance of Israel and of their motivations at the negotiating table.

Mr. Hun Sen said on state-run television that "because the scale of the genocide is so great," the two could not avoid prosecution. He had previously said that trying them would lead to a civil war. (AFP)

## For the Record

The European Union said Fri-

country's president, Ibrahim Bare Mainassara, in a coup. (AFP)

The Palestinians "brought them to

House, but insist that he does so in his capacity as an official of the PLO.

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84 00 Meho George V or Alma Marceau

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**INTERNATIONAL Protestant Church**

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**SINGAPORE (AP)**— Airlines in the Asia-Pacific region will switch to simplified flight patterns on Dec. 31 to avoid problems with the Year 2000 computer bug, officials said Friday. "For New Year's Eve there will be a plan that's going to simplify the traffic patterns," said David Behrens, an assistant director at the International Air Transport Association, and will put the need for air traffic management "at its absolute minimum."

**A snowstorm blanketed the Denver International Airport, while rain slowed operations at O'Hare International Airport.**

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### Europe

Country	Monday		Tuesday	
	High	Low	High	Low
Algeria	22/17	16/16	22/17	16/16
Austria	13/15	7/4	16/17	9/4
Belgium	16/17	9/4	16/17	9/4
Benin	22/23	16/17	22/23	16/17
Bulgaria	15/16	10/5	16/17	10/5
Croatia	18/19	9/4	18/19	9/4
Cyprus	19/20	10/5	19/20	10/5
Denmark	12/13	6/1	12/13	6/1
Egypt	21/20	16/17	21/20	16/17
France	15/16	9/4	15/16	9/4
Germany	12/13	6/1	12/13	6/1
Greece	14/15	8/3	14/15	8/3
Hungary	12/13	6/1	12/13	6/1
Ireland	10/11	4/1	10/11	4/1
Italy	12/13	6/1	12/13	6/1
Japan	18/19	9/4	18/19	9/4
Korea	18/19	9/4	18/19	9/4
Latvia	10/11	4/1	10/11	4/1
Lithuania	10/11	4/1	10/11	4/1
Malta	12/13	6/1	12/13	6/1
Netherlands	10/11	4/1	10/11	4/1
Norway	10/11	4/1	10/11	4/1
Poland	10/11	4/1	10/11	4/1
Portugal	12/13	6/1	12/13	6/1
Romania	12/13	6/1	12/13	6/1
Russia	12/13	6/1	12/13	6/1
Slovakia	10/11	4/1	10/11	4/1
Slovenia	10/11	4/1	10/11	4/1
Spain	12/13	6/1	12/13	6/1
Sweden	10/11	4/1	10/11	4/1
Switzerland	10/11	4/1	10/11	4/1
Turkey	12/13	6/1	12/13	6/1
Ukraine	10/11	4/1	10/11	4/1
United Kingdom	10/11	4/1	10/11	4/1
USA	12/13	6/1	12/13	6/1

### Asia

Country	Monday		Tuesday	
	High	Low	High	Low
Algeria	22/17	16/16	22/17	16/16
Australia	18/19	9/4	18/19	9/4
Belgium	16/17	9/4	16/17	9/4
Benin	22/23	16/17	22/23	16/17
Bulgaria	15/16	10/5	16/17	10/5
Croatia	18/19	9/4	18/19	9/4
Cyprus	19/20	10/5	19/20	10/5
Denmark	12/13	6/1	12/13	6/1
Egypt	21/20	16/17	21/20	16/17
France	15/16	9/4	15/16	9/4
Germany	12/13	6/1	12/13	6/1
Greece	14/15	8/3	14/15	8/3
Hungary	12/13	6/1	12/13	6/1
Ireland	10/11	4/1	10/11	4/1
Italy	12/13	6/1	12/13	6/1
Japan	18/19	9/4	18/19	9/4
Korea	18/19	9/4	18/19	9/4
Latvia	10/11	4/1	10/11	4/1
Lithuania	10/11	4/1	10/11	4/1
Malta	12/13	6/1	12/13	6/1
Netherlands	10/11	4/1	10/11	4/1
Norway	10/11	4/1	10/11	4/1
Poland	10/11	4/1	10/11	4/1
Portugal	12/13	6/1	12/13	6/1
Romania	12/13	6/1	12/13	6/1
Russia	12/13	6/1	12/13	6/1
Slovakia	10/11	4/1	10/11	4/1
Slovenia	10/11	4/1	10/11	4/1
Spain	12/13	6/1	12/13	6/1
Sweden	10/11	4/1	10/11	4/1
Switzerland	10/11	4/1	10/11	4/1
Turkey	12/13	6/1	12/13	6/1
Ukraine	10/11	4/1	10/11	4/1
United Kingdom	10/11	4/1	10/11	4/1
USA	12/13	6/1	12/13	6/1

Forecast for Sunday through Tuesday, as provided by AccuWeather.

### North America

Country	Monday		Tuesday	
	High	Low	High	Low
Alaska	18/19	9/4	18/19	9/4
Algeria	22/17	16/16	22/17	16/16
Australia	18/19	9/4	18/19	9/4
Belgium	16/17	9/4	16/17	9/4
Benin	22/23	16/17	22/23	16

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*Printed by Newsfax International, London. Registered as a newspaper at the post office.*

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# Further Fallout: Gun Lobby Suffers Reverses in Colorado and Beyond

By James Brooke  
New York Times Service

DENVER — With gun manufacturers already on the defensive in lawsuits, outrage over America's worst high school shooting in modern history is stirring the gun debate, bolstering the political power of gun-control advocates.

In Colorado, where three bills advocated by the gun lobby had been expected to become law within days, Colorado state legislators hastily withdrew two of them Thursday and Governor Bill Owens unexpectedly promised to veto the third.

Mayor Wellington Webb has asked the National Rifle Association to cancel its national meeting in Denver, scheduled to start April 30. Spurning an estimated \$18 million in spending by the conventioners, the mayor on Thursday said: "We don't want you here."

In California on Thursday, the Assembly unexpectedly voted to approve a bill intended to curb handgun trafficking, limiting sales to one handgun per person each month.

In Florida on Wednesday, the House tabled a bill designed to stop localities' suing gun manufacturers. In Arizona, Governor Jane Hull vetoed similar legislation. And in Illinois, Governor

George Ryan urged state legislators to pass a bill that would require adults to store guns at home with trigger locks or in locked cabinets.

The gun industry remains a powerful lobby in state governments, and it is likely that at least some of the recent measures will be resurrected when the publicity surrounding the shootings in Littleton, a Denver suburb, subsides.

John Velleco, a spokesman for Gun Owners of America, a Virginia-based group that is allied with the National Rifle Association, said Thursday, "Unfortunately, there are going to be politicians who are going to climb over the bodies of the victims and pursue an agenda."

But the reverses mark a break in the momentum of the rifle association and similar groups, which in recent months have sought laws that would allow citizens in some states to carry concealed weapons.

The carnage Tuesday also derailed efforts by the gun lobby to stop cities from passing tougher gun laws. Moreover, it may give new vigor to proponents of lawsuits against gun manufacturers.

"What we are seeing out of this tragedy," said Joe Sudyby, state-legislative director for Handgun Control Inc., a group based in Washington, "is that legislators are listening to their constituents and not the NRA."

Noting that his office has deployed eight people to help its lone receptionist field calls after the Littleton shootings, Mr. Sudyby said: "Around the country, the same thing is happening. People are just fed up."

Two weeks ago, before the massacre at Columbine High School, Missouri voters decided against overturning the state's constitutional ban on concealed weapons. Even though the rifle association outspent its opponents by nearly 5 to 1, voters rejected the idea, 52 percent to 48 percent. Political analysts attributed the defeat to a large turnout of middle-class Republicans from the suburbs of St. Louis, a constituency on which, in the past, the rifle association could rely.

"The gun lobby has been losing influence over the past number of years, so they have focused their energies on state legislatures," Mr. Sudyby said, adding that no state had liberalized concealed-permit laws since 1996. He said that Nebraska, Kansas and New Mexico also had defeated concealed-weapon bills this year.

Colorado witnessed sharp debate over the past month on its three gun bills, which would have loosened restrictions on permits for concealed weapons, banned local lawsuits against weapon manufacturers and preempted local ordinances

on firearms.

"Concealed Guns May Go Anywhere," was a Page 1 headline in the Denver Post last month after the House approved loosening restrictions on concealed weapons. After a public outcry, the front page three days later said, "Protests Knock Schools Off Weapons Bill."

In Jefferson County, which includes Littleton and where the two shooters lived and went to school, there are no local ordinances restricting the use of guns. Federal law bars most firearms sales to minors, and state law bars carrying firearms into schools except for educational purposes.

While many Colorado residents have reacted to the Littleton massacre by calling for tighter gun controls, some say the shootings bolster their arguments for concealed-weapon permits.

"When you make places like school off-limits to the honest carrying people — those who have gone through the background checks, the training — you create a killing ground for those who are inclined to do so," said Bill Dietrick, a rifle-association member from Colorado who lobbied hard for the three bills. "They know there is no resistance." He suggested allowing a few trained adults, perhaps the principal and some teachers, to carry handguns at school.

The debate has become sharper in Colorado,

where grieving residents are driving by a large billboard on which Charlton Heston, president of the rifle association, urges passers-by. "Join me."

On Thursday, Representative Diana DeGette, Democrat of Colorado, asked Representative J.C. Watts Jr., Republican of Oklahoma, to cancel his speaking appearance at the rifle association's convention. Referring to Littleton, she wrote, "Your appearance and the controversy surround the NRA would throw salt into those wounds."

Predicting demonstrations, one state senator urged the association to "cancel it totally, go somewhere else."

"They are not welcome," Pat Pascoe of Denver said. "This shouldn't add to the torture of the families."

The rifle association has announced that it would scale back the planned three-day event to one day and cancel all seminars, luncheons and exhibitions by vendors and gun makers.

Mr. Heston and Wayne LaPierre, the organization's executive vice president, sent a letter to members explaining that the steps had been taken "to show our profound sympathy and respect for the families and communities in the Denver area in their time of great loss."

No. 36,128

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initial explanation contrasted with earlier this month in a column of a road near a then for the ones had indeed aimed only mistake publicly, so quickly that Javier Solana, y afternoon, he ident, and said

## Bombs Raise Fears 2 Killers Had Help Police Defend Response to Assault

By Brian Knowlton  
International Herald Tribune

WASHINGTON — The governor of Colorado said Friday, after touring the high school where two students killed 13 people in a shooting spree and then themselves, that investigators were almost certain that the assailants had help.

Law enforcement officials, meanwhile, defended themselves against accusations that they reacted too slowly to the assault, which unfolded over more than four hours Tuesday.

President Bill Clinton announced that the Justice Department was making \$1.5 million available in part to help the victims and family members by defraying the costs of funerals, medical expenses and grief counseling. The initiative would help Littleton and other cities hire police for the schools.

"There are backpacks with bombs in there everywhere," Governor Bill Owens said in Littleton, Colorado, standing outside Columbine High School. "The officers in there are convinced there had to be more people involved."

On Thursday, the police discovered a 20-pound bomb made of two propane tanks wired to a gasoline can in a bag in the Columbine kitchen, next to the cafeteria, where some 300 students were eating lunch when the attack began.

Packed in a duffel bag and surrounded with nails and BB gun pellets for maximum damage, the device was large enough to destroy "a good part of the school," an explosives expert said. That increased suspicions that the two gunmen, identified as Eric Harris, 18, and Dylan Klebold, 17, had help.

Authorities have found more than 30 other unexploded bombs in and near the school.

The number of bombs did not necessarily indicate the two gunmen had accomplices, federal agents noted. They said 30 of the simple devices could be assembled by two persons in a few hours, using inexpensive materials available at hardware and sporting goods stores.

More than 50 police and security agents are investigating the assault, the worst ever in a U.S. school. They have conducted more than 500 interviews.

Mr. Harris and Mr. Klebold were members of a group that called itself the Trenchcoat Mafia, an all-male clique drawn to themes of white supremacy and Nazism.

Parents and family members in the Denver suburb continued to raise agonized questions about whether the calamity somehow could have been avoided, or its costs lessened.

The drama dragged on for hours from when the gunmen burst into the school at lunchtime Tuesday, firing shotguns and handguns and tossing pipe bombs, until specially trained SWAT teams finally rescued the last survivors and found the gunmen's bodies, apparently suicides.

Amid criticism of their seeming slow-going approach, police officials vigorously defended themselves.

An armed deputy assigned to the school exchanged fire with one of the assailants at the beginning of the attack, police said. Within two minutes of the first 911 emergency phone call, seven law enforcement officers began arriving and entered the building. Two shot at the gunmen but missed.

It was 90 minutes, however, before SWAT teams again entered the school, and more than two hours later before they found 12 bodies in the school library, among them those of Mr. Harris and Mr. Klebold.

The authorities said that it would have been irresponsibly risky to send SWAT teams into a smoke-filled building without first coordinating their actions and learning more about the threat.

Although many students said that they immediately suspected the Trenchcoat Mafia when they learned of the attack, school officials insisted Friday that they had no cause to view the group as potentially violent.

In February, Mr. Harris and Mr. Klebold had been released from a juvenile-court supervision program after they had broken into a van and were arrested on minor charges of criminal mischief, theft and trespass.

Meanwhile, copycat acts elsewhere led to school evacuations and closings in several states.

In Washington state, a high school student in Prosser was arrested for allegedly threatening to blow up his school. In Palmdale, California, two high school students who made references to the "Trenchcoat Mafia" were arrested Thursday after one threatened another student and the other talked about bomb-making, authorities said.

### Away From Politics

Prosecutors in Chicago say they are confident that this time they have charged the right person with murdering an 11-year-old girl — a crime initially blamed on two little boys. Floyd Durr, 30, already accused in three attacks on young girls, was charged with first-degree murder, criminal sexual assault and kidnapping in the death of Ryan Harris. (AP)

Seattle's 4,000 teachers and classroom assistants shut down the school system in a one-day protest against what they called inadequate pay increases for the last six years. One-day protests were held in more than 30 other districts during the week. (NYP)

Health officials in New York were investigating the failure of a kidney transplant into a 67-year-old man that the surgeon admits spent 90 minutes languishing in a recycling bin prior to the operation. (AP)



Nick Foss, a senior who saved four adults by pushing them into hiding, hugging a friend at a wake for Daniel Rohrbough, 15, who was shot while holding open an exit door for others.

## VIOLENCE: It's Everywhere in the Culture, It's Celebrated and It's More Gruesome Than Ever

Continued from Page 1

society "interrelate," said Douglas Brode, a professor of film at Syracuse University and author of 18 books on movies. "And not just film but music, video games, all of it. There is a connection. It may be tangential; it may be tight," he said. "Nobody knows for sure."

It is surely one of the great debates of this decade: Does the culture simply reflect the dark, decadent times in which we live? Or is society the way it is because the proprietors of culture have run amok?

Take "Basketball Diaries," the 1995 movie based on Jim Carroll's autobiographical book about his tumble from New York City high-school basketball star to heroin addict. In the film there is a dream sequence in which Leonardo DiCaprio, wearing an ankle-length black-leather coat and brandishing a 3-foot-long (1-meter) rifle, walks into his high-school classroom and starts blowing away students. One by one. In slow motion. To a score of rock music.

Kills his teacher, too.

His friends in the class are saluting each other with celebratory high fives and laughing.

So was Bryan Goluboss, the screenwriter, drafting from reality to make his screenplay authentic? Or was his creation copied by real students in Littleton, Colorado, who wore real trench coats and blew away their real peers?

"Basketball Diaries" already was cited as a factor in the shooting two years ago of three students in West Paducah, Kentucky. Authorities said the 14-year-old shooter in that incident may have planned his attack after watching the movie.

In the wake of this latest tragedy, Mr. Brode urges taking a wide look.

"The way I see it," he said, "is there is not more darkness or more lightness than before. It's that everything is more extreme today. The middle is

gone. The darkness is darker than before."

In the past six years, as computing power has increased, computer games have become horrifically realistic and horrifically vicious. An entire genre of games, called "first-person shooters," encourages the player to dismember monsters and slay people.

The trend began with "Wolfenstein 3D," a game in which an American soldier in a Nazi prison must kill Hitler-like people to survive. Today there are such games as "Postal," in which the goal is to slaughter bystanders.

The cover of the game "Blood II" promises: "Over 30 screamingly fast totally immersive blood-soaked levels! Run a savage gamut of multiplayer mayhem from Bloodfrenzy to BloodBath for Maximum Bloodshed!"

Mike Davila, editorial director of GameWeek, a trade magazine, said: "They're incredibly violent, and they're the most popular games on PCs right now. The object is to kill people; you see chunks of the body flying in different directions."

Eric Harris, one of the shooters in Littleton, reportedly was an expert player of Doom, a shooter game introduced in 1994 by id Software of Texas. Doom's marketing strategy was hard to resist: The game was given away over the Internet. Players could customize their killing rooms, selecting from

a cache of weapons. They could add new levels by paying for software.

At least a half-million copies of Doom were sold or distributed. Doom led to Quake, a \$50 game that has sold about 700,000 copies.

The similarity between such high-tech pursuits and the high-school slaughter was obvious to Joe Rosenthal, an editor of Rolling Stone's on-line service: "It's as if these kids were playing a game of Doom, going from room to room, shooting people up, using multiple weapons."

Mr. Rosenthal was among those sifting for clues in the lyrics Eric Harris left behind in his America Online user profile. The lyrics were from the band KMFDM, which released its final album Tuesday. Some are brutal and nihilistic — "Iron will," "Bore to kill" and the like — but no more shocking than hard-core rap music or any other forms that have flourished since the advent of punk music in the 1970s.

Much sharper analysis dealt with the subculture of Goth music, a genre characterized by gloomy lyrics and a poetic fascination with misery. Goth rock captures teenage angst, its adherents say, and does not promote violence.

"If wearing black makes you Goth, then Johnny Cash must be awfully Goth," said Sam Rosenthal, owner of the label Projekt, whose Goth acts include Love Spirals

Downwards and Black Tape for a Blue Lady.

Increasingly, musicians must push the edges of taste because it is truly difficult to shock their audiences. When your parents grew up with rock and roll and still flock to concerts by the Rolling Stones, how do you rebel against them?

The slide to the shocking takes many forms. You can see it in "professional wrestling," whose televised stonks bring a ratings bonanza. You can see it in cartoons such as "South Park," "Futurama," which Tuesday night featured a planet run by robots whose goal is to kill all humans, and "Family Guy," a cartoon about an infant neo-Nazi who keeps killing people.

Dark themes pervade the comic-book industry, too. The trend started in 1986, according to some industry watchers, with "Batman: The Dark Knight Returns" and "Watchmen." In one, Batman ruthlessly kills off bad guys to clean up the city. The other is a murder mystery in which superheroes who are found to be flawed characters.

"Both were hugely influential," said Joel Pollack, the owner of Big Planet Comics in Bethesda, Maryland. "They both had a very dark vision."

More recently there have been such over-the-edge comic books as "Preacher," in which child abuse and bestiality are subtexts and obscenities and blood flow.

Fashion is not exempt.

In March 1996, the British designer Alexander McQueen showed his work in New York for the first time. As a setting, he chose a darkened synagogue, an imposing structure with sharp angles and filled with flickering candles. Amidst a display of corseted jackets and asymmetrical hemlines were such accessories as a half-mask adorned with a crucifix and a silver "crown of thorns." Subsequent collections have included metal leg braces and arm cuffs.

The fashion industry has for years been enamored with the dark side of life, the murky underground and a nihilistic sensibility. A generation of young designers has stepped into the foreground with a doomsday vision of the

future; their work is marked by a black palette, a fetishist relationship to sexuality and a view of the environment as hostile, even deadly.

This dark view of the world is one of the most powerful examples of the way in which fashion acts as a sponge, with designers pointedly absorbing inspiration from music, the nightclubs and the street.

Designers such as Olivier Theyskens, Veronique Branquinho and Mr. McQueen all have grown up on a steady diet of visions of gunplay and rampant, sometimes eroticized, violence.

Just like the teenage shooters of this decade.

## Republicans Give Up Voters Seem to Want On Social Security A Man for President

WASHINGTON — Republican leaders in the House have abandoned the idea of making fundamental changes in Social Security before the next election, just as the top Republicans on the House Ways and Means Committee were putting the final touches on a plan to base the retirement program partly on private investments.

Several Republican House members said they had been told by their party's leaders in meetings and private conversations this week that trying to overhaul the Social Security system would create a serious political risk for Republicans without any likelihood of reward.

Republicans who have met with the party leaders said they were told that polls commissioned by the party indicated that among people who felt very strongly about Social Security one way or the other, many more were skeptical about the Republicans' plan than were favorable toward the idea.

The Republicans said they were also told there was little point in taking the political risk of voting for changes in the most popular program created by the government when there was little likelihood that the Senate would follow suit.

WASHINGTON — In the shadow of the Kosovo crisis, American voters are looking for a man or woman well versed in foreign and defense policy in next year's presidential election — and they seem to prefer a man.

A Reuters poll conducted by Zogby International found 80 percent of Republicans and 77 percent of Democrats believed foreign policy and defense expertise was "very important" in their next presidential choice.

The poll found that 16 percent of Democrats and 28 percent of Republicans did not think a woman could handle defense and military issues as well as a man. (Reuters)

### Quote/Unquote

Hillary Rodham Clinton, commenting on the school shootings in Littleton, Colorado, as she visited Niagara Falls, New York: "We have to be willing to talk about the culture of violence that infects the lives of our children. The constant exposure to violence on TV, in the movies, on video games, in music — there's much too much evidence that children get desensitized. There's so much of it. We're awash in it." (WP)

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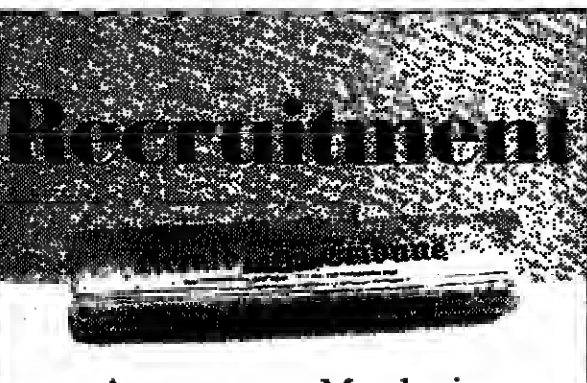
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## Tuesday STYLE

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

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## The Battle for Kosovo/Hit in the Middle of a Newscast

## NATO Missiles Wreck State Television Center in Belgrade

By Steven Erlanger  
New York Times Service

BELGRADE — NATO knocked Serbian state television off the air in the middle of a newscast Friday, leaving the building that housed the government propaganda apparatus in flames.

Ten people died, 18 were wounded and 10 others were missing and apparently trapped in the rubble, said the Yugoslav Foreign Ministry spokesman, Nebojsa Vujovic.

The attack on the television building followed a more surprising direct strike at President Slobodan Milosevic, when three NATO missiles devastated his residence, a villa in the elite Dedinje district at 15 Uzicka Street, the most famous address in Belgrade because Marshal Tito lived there.

NATO had been debating for weeks whether or not to destroy state television. Warnings went out this week to American television correspondents to stay out of the complex at 10 Takovska Street, in the heart of the city.

State television has been the main source of immediate news and film footage for Western television correspondents.

Zeljko Pantelic, an anchorman for state tele-

vision, said Friday that he felt reborn Friday, but not converted.

At about 2:10 A.M., he was at the station when NATO missiles took it temporarily off the air, attempting to silence the voice of the Yugoslav government. He and a group of 10 other journalists heard two explosions, one after the other.

"Everything crashed," he said. "There was no way out. There was smoke everywhere. It was terrible, people were screaming. It was like a nightmare."

By 8 A.M., roughly six hours later, Radio Television Serbia was back on the air, transmitting from an alternative site prepared long ago, as rescue workers and firefighters continued to try to save any survivors and locate the bodies of the dead.

"I'm very, very lucky," Mr. Pantelic said, adding, "I was born again."

But he said he was unconvinced by NATO's rationale for such destruction.

"This bombing must stop now," he said. "All our people, Serbs and ethnic Albanians, now think: Stop bombing, right now."

Predrag Djuricic, a 25-year-old soundman, was editing the news when there was a "huge detona-

tion and everything went completely dark."

There were eight people with him, he said Friday in a Belgrade hospital, where he was being treated for wounds. "We were lucky," he said. "We tried to find an exit with a lighter, and we finally managed to crawl outside and get down over the rubble."

Svetlana Radosevic, a sports journalist for the station, was not in the building, but said that five of her friends are believed to have died there. "If you think I lie, you don't have to kill me to prove I'm lying," she said. "I'm in shock, my workplace doesn't exist anymore."

NATO and U.S. officials defended the attack in harsh terms as an effort to undermine the regime of the Yugoslav president, Slobodan Milosevic.

"Serb TV is as much a part of Milosevic's murder machine as his military is," said the Pentagon spokesman Kenneth Bacon. "The media is one of the pillars of Milosevic's power machine. It is right up there with security forces and the military."

But Yugoslav officials said that NATO was simply trying to destroy the free marketplace of ideas and ensure that only one side's "propaganda" could be propagated.

"This attempt to dig out our eyes and cut off our ears so that you will be exposed only to one side, to the factory of lies, will not be successful," said the

Foreign Ministry spokesman, Nebojsa Vujovic. "This is a new step to silence the truth, to monopolize the situation and to sideline not only Yugoslav journalists, your colleagues, but also yourselves," Mr. Vujovic said, noting that foreign television journalists needed the infrastructure of state television to file their own stories.

However, that point was true only because Serbian authorities have generally banned television companies from sending their own material through their own equipment without prior censorship.

Still, a senior Serbian journalist working for a Western agency said Friday that he thought NATO had crossed an ambiguous moral line.

"NATO began in a very precise, slow way but now seems to have lost the distinction between military and civilian targets and aims," he said.

German Seized by Yugoslavs as a Spy

Yugoslavia has accused a detained German television reporter of spying, the Foreign Ministry in Bonn said Friday. The Associated Press reported.

Hans-Peter Schmitzer, the Southeast Europe correspondent for the SAT-1 network, was being held by Yugoslav military police at an unknown location, said a German spokesman, Andreas Michaelis.

## A Look Back to NATO's Humble Birth

## Fear of Russia in War-Weakened Europe Laid Alliance's Groundwork

By R. W. Apple Jr.  
New York Times Service

WASHINGTON — The North Atlantic Treaty Organization, whose 50th anniversary will be ceremonially commemorated by the leaders of its 19 member nations here this weekend, was the brainchild of a portly, rough-hewn former trade union leader with an elementary education, the illegitimate son of a serving girl.

His name was Ernest Bevin, and he was Britain's foreign secretary.

In the anxious early days of 1948, with Czechoslovakia slipping under Communist sway and West Berlin blockaded, he feared that the Soviet Union would pick off the nations of Western Europe one by one.

The Continent's only real hope, he concluded, lay across the Atlantic. Bevin therefore proposed to the British Cabinet on Jan. 8 "that we should seek to form with the backing of the Americas and the dominions a Western democratic system comprising Scandinavia, the Low Countries, France, Italy, Greece (and possibly Portugal)." As soon as "circumstances permit," he added, "we should, of course, wish to include Spain and Germany, without whom no Western system can be complete."

That was the kernel of the idea. With minor modifications, it grew to become the North Atlantic Treaty Organization, the centerpiece of the allied commitment to policy.

"It was superb idea, and it turned out to be a superb accomplishment," said Lucius Battle, now 80, an American diplomat who was present when the treaty establishing the organization was signed on April 4, 1949. "Surprising, in a way. It was not at all clear, and there was by no means universal agreement, that it was the right way to go."

After some initial hesitation, the American secretary of state, George Marshall, who had served as the U.S. military chief of staff during World War II, and his discreet, patrician under secretary, Robert Lovett, came to agree with Bevin. (At one early stage, Lovett accused the British of "asking us to pour concrete before we see the blueprints.")

They oversaw months of negotiations that produced a draft by Christmas. Marshall's successor, Dean Acheson, pushed the talks to a conclusion in 1949 and won Senate approval with the indispensable help of Senator Arthur Vandenberg, Republican of Michigan, who had once been a dyed-in-the-wool isolationist.

But the real American midwife of the

new organization, the first major military alliance the United States had ever joined in peacetime, was a career diplomat named John Hickerson. Unknown to the public then, and all but forgotten now, Hickerson, a wry, 50-year-old Texan who had worked his way through the University of Texas at Austin, in part by shining shoes, championed the concept within the bureaucracy.

Ultimately he persuaded Marshall, and through him, President Harry Truman, of the importance of the principle that became Article 5 of the North Atlantic Treaty: An armed attack on any of the signing countries would be considered an attack on all.

That, he believed, would provide the tight links between Europe, the United States and Canada that Bevin sought. For most of the rest of 1948, while President Truman was staging his upset victory in November, Hickerson and his No. 2 in the State Department's Bureau of European Affairs, Theodore Achilles, labored in the shadows with Hume Wrong of Canada and senior European diplomats to pound a treaty into shape.

That it could be done was remarkable.

It is an iron rule of American politics that lame-duck presidents — those nearing the ends of their terms — take few initiatives. Those they do take almost always misfire. Truman, seen as a sure loser to Thomas Dewey, not only laid the groundwork for NATO but also instituted the Marshall Plan.

But those were extraordinary times. The allies were keeping Berlin alive only with an airlift of unprecedented dimensions. On March 10, 1948, the body of Jan Masaryk, the Czechoslovak foreign minister, was found dead on the pavement outside his apartment.

In Asia, General Douglas MacArthur was warning that the imminent victory of Chinese forces "imperiled" the United States. And in Washington, the Red Scare was under way. On Dec. 15, Alger Hiss was indicted for perjury.

According to his biographer, Alan Bullock, Bevin was horrified that spring when a French minister told him the Russians would be in Paris by August.

The founding members were the United States, Britain, France, Canada, Italy, Belgium, the Netherlands, Luxembourg, Portugal, Iceland, Norway and Denmark.

## Milosevic Agrees to a Foreign Force, Russian Insists

By Celestine Bohlen  
New York Times Service

MOSCOW — President Slobodan Milosevic of Yugoslavia has given his consent to an international military force in Kosovo, Russia's special Balkans envoy, Viktor Chernenyrdin, insisted Friday, back in Moscow after eight hours of talks in Belgrade.

Such a force would include Russian troops and would fly a United Nations flag, Mr. Chernenyrdin said, without adding any other details.

"I think that what we have today is a big agreement," he said.

But in Belgrade, the Foreign Ministry spokesman, Nebojsa Vujovic, appeared to contradict Mr. Chernenyrdin.

"The discussion about an international presence is nothing new," Mr. Vujovic said at a news conference, apparently referring to an unarmed international monitoring force established in Kosovo in October under the auspices of the Organization for Security and Cooperation in Europe but withdrawn before the NATO air strikes started March 24.

"This time a different modality has been discussed and this is a United Nations unarmed presence in Kosovo," he said.

Mr. Chernenyrdin, a former prime minister, is the point man for Russia's hopes of brokering a settlement in a war that has threatened to damage its relations with the West.

Mr. Chernenyrdin's statement, made late Friday

afternoon, was an attempt to clarify the confusion that had surrounded initial comments, made as he headed home to Moscow late Tuesday night. At that time, he said Belgrade had agreed to an international presence, without specifying whether it would be armed or unarmed.

On Friday, asked to name the forces to be deployed in Kosovo, Mr. Chernenyrdin filled in the missing blanks. "There will be the military," he said. "Certainly, the military is being talked about. Which civilians? The military will be there. A war continues there."

Mr. Chernenyrdin said Friday he would take the proposals to NATO leaders, although it is not clear when or where these consultations will take place. Another trip to Belgrade is also likely, he said.

Mr. Milosevic in past negotiations has agreed to an international presence in Kosovo, which paved the way for the arrival last fall of observers from the OSCE. But he has opposed foreign troops on Serbian soil.

NATO reaction to Mr. Chernenyrdin's initial comments was cool, as both President Bill Clinton and Prime Minister Tony Blair of Britain said that Mr. Milosevic's concession fell well short of the minimum the North Atlantic Treaty Organization has sought. No details on a future agreement emerged Friday.

Earlier, the Russian news agency Interfax reported that the Russian proposal revolved around the future status of Kosovo, now a province inside the Serbian Republic, and the composition of a military force.

Moscow, like Belgrade, has insisted on a stop to the

NATO bombing, and has said that NATO troops cannot be the "core" of a peacekeeping force. The condition set by the Western alliance, it was said, was that the force be unarmed.

Vladimir Lukin, a former Russian ambassador to Washington and chairman of the Russian Parliament's foreign affairs committee, said another important issue was whether any Serbian security forces will be allowed to remain in Kosovo.

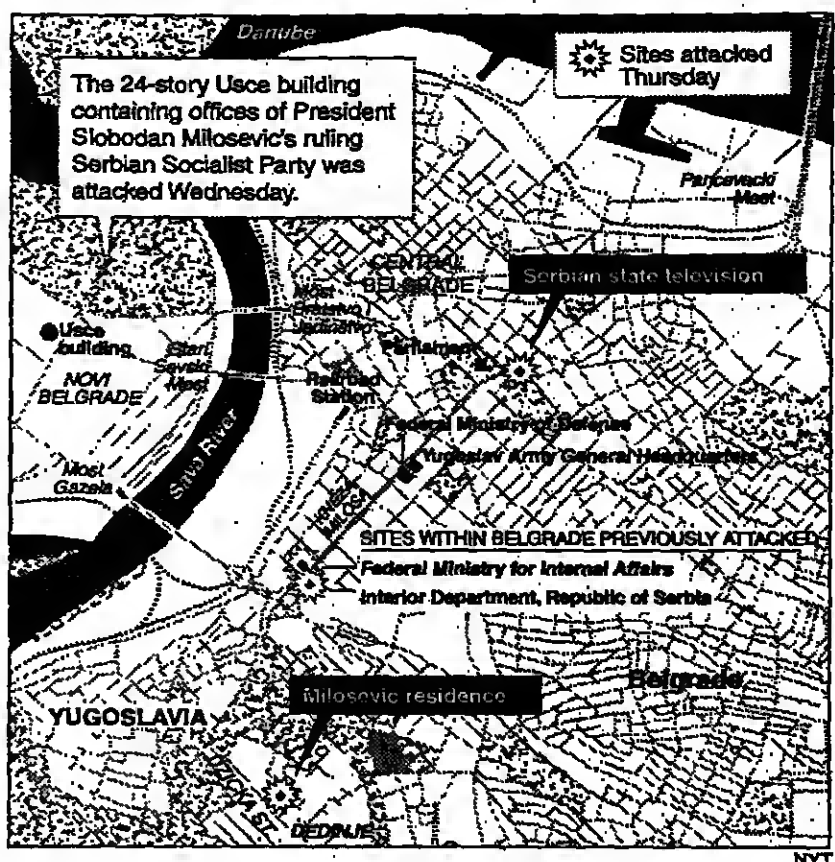
"The difference between the parties concerned is whether a partial presence of the Yugoslav forces is expected, or if it is ruled out altogether," he said.

In Russia, where public opinion has been vehemently opposed to the NATO bombing, even the slightest crack in Mr. Milosevic's position was hailed as reason for hope. "Although the first reaction of U.S. President Bill Clinton and British Prime Minister Tony Blair was rather cautious, ground for talks appeared for the first time," said Vladimir Ryzhkov, a political ally of Mr. Chernenyrdin. "We hope NATO will not bring the matter to an impasse and will take the chance."

Even liberal Russian politicians approved of a decision to boycott the 50th anniversary celebration of NATO in Washington.

"In the wake of the havoc that NATO has wreaked in Yugoslavia, our cabinet did the right thing," said Boris Nemtsov, head of the Young Russia movement.

The Russian Foreign Ministry on Friday accused NATO of violating human rights with its bombing campaign, citing provisions of the Cold War-era Helsinki Final Act.



## 'Defending Peace Is NATO's Goal'

Following are excerpts from statements Friday at the NATO summit in Washington:

## President Vaclav Havel

The alliance has been in existence for 50 years now, and it is beyond all doubt that this association of Western democracies, founded on solidarity, has contributed to the fact that there has been no new world war during this period.

This is the first summit of the alliance that is attended by representatives of its three new member countries that were members of the Warsaw Pact no more than 10 years ago. The enlargement of the alliance, which has begun with their admission, signifies the real and definitive end of the imposed division of Europe and the world, the real and definitive fall of the Iron Curtain, and the real and definitive demise of the so-called Yalta Arrangement.

To my country, this is one of the most important moments in its long and dramatic history. For the first time ever, it is becoming part of a great security alliance which is based on the equality of its members, solidarity among them, and a shared determination to defend their shared values.

On behalf of the Czech Republic, I hereby declare that we are conscious not only of the assurances we have received with this affiliation, but also of the responsibilities which it entails. I do so, not only as a representative of my country and as a European, but also as an inhabitant of this planet who desires that there be peace among the people and who has understood that such peace can hardly be attained without the readiness to defend it against the forces of evil.

## President Bill Clinton

As we look to the future, we know that for the first time in history, we have a chance to build a Europe truly undivided, peaceful, and free. But we know there are challenges to that vision — in the fragility of new democracies, in the proliferation of deadly weapons and terrorism and surely in the awful specter of ethnic cleansing in Southeast Europe.

We are in Kosovo because we want to replace ethnic cleansing with tolerance and decency, violence with security, disintegration with restoration, isolation with integration into the rest of the region and the Continent. We want Southeastern Europe to travel the same road as Western Europe half a century ago and Central Europe a decade ago.

But we are fundamentally there because the alliance will not have meaning in the 21st century if it permits the slaughter of innocents on its doorstep. This is not a question of territorial conquest or political domination, but standing for the values that made NATO possible in the first place.

This is the mission of NATO at the age of 50, on the edge of a new century, determined to reach forward into the future with a united continent, with a collective defense, remaining open to new members from the Baltics to the Black Sea, remaining committed to work with partners for peace and progress, including Russia and the Ukraine and others who are willing to work for the values and the future we dream of.

This is the kind of alliance we come to this summit to reaffirm and to build for the future.

Our nations played our part well after World War II, from the Berlin airlift to the founding of NATO, to the restoration of hope and confidence in Western Europe. We played it well when we joined together to end the slaughter in Bosnia.

Now we rise, as we must, to this new and fundamental challenge to the peace and humanity of Europe. Our message is clear: Peace and humanity will prevail in Kosovo. The refugees will go home. They will have security. They will have their self-government. The last European dictatorship of the 20th century will not destroy Europe's long-awaited chance to live at last together in peace and freedom.

## Secretary-General

Javier Solana Madariaga

Fifty years ago, here in Washington, North America and Europe launched a visionary project, an Atlantic community of nations. For 50 years, this community has provided for the security of its members, protecting these nations against any form of aggression or intimidation. But NATO has never been only about defense. This alliance has always sought to promote peace in our countries and across the Euro-Atlantic area. And whenever new opportunities to build lasting peace and stability have arisen, NATO has seized them.

Over the past decade, those efforts have brought dramatic rewards. Today, NATO is at the center of a new Euro-Atlantic security architecture, as a source of its stability and a source of peace. NATO has extended the hand of friendship to many nations. Former adversaries have become friends; friends have become partners, partners have become full members of the alliance.

The Atlantic alliance has made it plain that it will not merely mouth platitudes about common values but that it is prepared to defend them whenever they are threatened. Our alliance has principles and the courage to act upon them.

## BLAIR: Marshaling Public Support for 'a Just War' Over Kosovo

Continued from Page 1

on any territorial ambitions but on values," Mr. Blair said. "We cannot let the evil of ethnic cleansing stand. We must not rest until it is reversed."

The hawkish activism represents the culmination of Mr. Blair's transformation from a young anti-nuclear campaigner of the early 1980s to a global realist of today. He has married his ideals, in the pursuit of a so-called ethical foreign policy, with Britain's traditional willingness to use military force.

"It's amazing the degree to which he has been forward leaning," said Gordon Adams, deputy director of the International Institute for Strategic Studies in London.

"This is a premier demonstration of an ethical foreign policy."

This new activism has parallels across much of Europe, where center-left governments have remained remarkably united behind the bombing campaign. But Mr. Blair's unquestioned authority sets him apart.

In Germany, Chancellor Gerhard Schröder has to worry about opposition to the bombing from his coalition part-

ner, the Greens party, and Socialist governments in Italy and Greece have had to work to contain domestic unease over the campaign.

But in Britain, the operation enjoys strong cross-party support, with polls showing that the public endorses the bombing by a margin of nearly three to one.

When the leader of the Scottish National Party dared to criticize the bombing, the party's support fell sharply in the polls, damaging its hopes of winning control of the new Scottish Parliament in elections next month.

"He is unique among European leaders," said Jonathan Eyal, director of the Royal United Services Institute. "No other European leader has thought of doing what Blair did in going to NATO," where Mr. Blair met with alliance commanders in Brussels on Tuesday, he said.

Mr. Blair also enjoys unequalled access to the White House, thanks to his close personal relationship with President Bill Clinton on everything from welfare reform to collaboration over Northern Ireland.

His credibility is equally high on the

Continent because of his advocacy for giving Europe a larger defense role, which represented a major shift in British policy.

As a result, Mr. Blair has been able to voice European concerns to Washington, such as saving a place for Russia in any protection force for Kosovo. His role also gives Mr. Clinton political cover and support for any broadening of the war.

"It's very useful for Bill Clinton to have a John McCain at home because it gives him a pole to move toward," Mr. Adams said, referring to Arizona senator who has advocated the use of ground troops in Kosovo. "I think Tony Blair plays the same role in the alliance."

"They have the highest regard for each other's values and strategic thinking," said Philip Lader, U.S. ambassador to the Court of St. James's. "You cannot exaggerate the candor and clarity of the communications between the two of them."

In his Chicago speech, Mr. Blair said Kosovo showed that the traditional principle of noninterference in a sovereign country's affairs must be qualified.

"Acts of genocide can never be a purely internal matter," he said. To the extent that Mr. Blair has faced criticism, it has largely been questions of whether his policy and NATO's military strategy live up to his robust rhetoric.

After NATO admitted mistakenly attacking a convoy of ethnic Albanian refugees in Kosovo last week, Mr. Blair dispatched his spokesman, Alastair Campbell, to NATO headquarters in Brussels to sharpen the alliance's public relations effort.

The move suggested that Mr. Blair saw the attack as "less a function of flawed military strategy than an instance of media mismanagement," wrote Jonathan Freedland, a columnist in The Guardian newspaper. "The first priority was to re-spin the message."

## SUMMIT: Urgent War Council on Kosovo

Continued from Page 1

sponse. Without saying that Mr. Clinton had waffled in his cautious reactions to the overture, Mr. Blair seemed to be re-prising the role Prime Minister Margaret Thatcher was credited with playing when then President George Bush hesitated initially in reacting to Iraq's invasion of Kuwait. Prodded by Mrs. Thatcher, Mr. Bush then declared that the aggression would not stand and that Baghdad would be forced to disgorge Kuwait.

Mr. Blair's prominence showed how radically Kosovo has transformed the dynamics of the summit, letting Mr. Clinton take a back seat publicly while Mr. Blair occupies the point position in urging greater boldness on the alliance. The reversal of roles was significant in revealing the political complexities of NATO's situation at its crucial summit.

As conceived and orchestrated for months, the NATO birthday party was to be an extravaganza showcasing Mr. Clinton. It was to be his "foreign policy moment," officials said to say, casting Mr. Clinton in the starring role at the biggest gathering of foreign leaders ever in Washington and projecting an image of him as the chief of a successful, growing alliance which he had shifted from its old defensive posture to a new role as the regional policeman in and around Europe.

In the event, the foreign leaders, notably Mr. Blair and his ministerial team, have functioned in Washington as a powerful chorus defending the Kosovo intervention, insisting that NATO has to finish the job and, in effect, lobbying Congress and American public opinion to give Mr. Clinton the political support he needs to escalate the allied war.

"The summit that was supposed to glorify Mr. Clinton and make the Europeans listen to him has become the summit where the Europeans came over to help Mr. Clinton rally support that he seems to need desperately to do any-

thing," a European source said.

In a similar vein, a U.S. official said that the United States seemed to be approaching a bind in which the goal set out by the White House, protecting NATO's credibility and positioning the alliance for the future thanks to victory in Kosovo, would be jeopardized by Mr. Clinton's reluctance to do what it took to win against Mr. Milosevic.

"It's a war being fought by polls," a Senate source said, explaining that the Clinton administration was ratcheting up the U.S. war effort only incrementally, as daily polls provided hints about how to proceed. Almost minute verbal changes reflect the process, he said, citing the way in which charges of rape have become more prominent in U.S. rhetoric after polls showed its resonance. "Sustained sounding," he started giving way to terms such as ethnic gutting and ethnic brutality.

Mr. Clinton's habit of introducing changes with small words surfaced on the summit's eve when he for the first time said at a news conference that there are "scenarios" where ground troops could be used without a prior deal with Mr. Milosevic. Going even further, Robin Cook, the British foreign secretary, said at a joint news conference with Secretary of State Madeleine Albright that her term, "permissive environment," left open the need to define "permissive" and that leaders would do that "when the moment came."

For the moment, officials said, the NATO summit seemed unlikely to go further than an endorsement of the new study about the use of ground troops that is being carried out by the alliance's military commanders.

## EU Approves Oil Embargo

The European Union formally approved Friday a ban on sales of oil to Yugoslavia, an EU official said, Agence France-Press reported from Brussels.



## The Battle for Kosovo / A Makeshift Rebel Army That Must Ration Its Bullets

# Kosovo's Hit-and-Run Ground War

## Underarmed Ethnic Albanian Guerrillas Wage an Uneven Battle

By Peter Finn  
and R. Jeffrey Smith  
Washington Post Service

**TIRANA, Albania** — Amid the somber NATO debates on whether to send ground troops to Kosovo, a ground war is already being fought there.

It is a guerrilla war, marked by hit-and-run ambushes against Yugoslav troops by a makeshift rebel army that must ration its bullets.

Villages are taken with bolt-action carbines but lost within hours to Serbian 82mm shells.

Uniformed men with assault rifles fire in vain at army tanks — and then flee. New recruits arrive so untrained that they can be assigned only to prepare and serve food.

Mixed in among all this are thousands of stranded, hungry refugees seeking protection from a rebel force that is unable to destroy a single artillery position let alone retake the villages from which the civilians have fled.

Nasty, limited and seemingly unwinnable, this is the Kosovo Liberation Army's war one month into NATO's air offensive against the Serbs of Yugoslavia.

As the Western alliance contemplates

introducing its own ground forces into Kosovo, it is being drawn closer to the ethnic Albanian guerrillas and their war to liberate the province from rule by Serbia.

NATO is seeking to maintain its distance from the KLA, declining to supply the rebels with weapons or endorse their goal of an independent Kosovo.

But NATO's arm's-length approach is awkward because the alliance and the rebels are involved in a common struggle against the Belgrade government and because the KLA has emerged in recent weeks as the sole political force representing the province's ethnic Albanians, who totaled 1.6 million before the recent mass expulsions.

As it becomes entangled with the rebels, NATO is closely studying the military potential, structure and ideology of a shadowy insurgent group that is now in rapid flux on the battlefield, in its leadership ranks and in its political standing among Kosovo Albanians.

The KLA has shown glimpses of many faces in its seven years of existence — Communist, nationalist, democratic, Islamist and even criminal.

At times, it is a movement that has seemed deeply factionalized, inept and unsophisticated. At other times, it has surprised the West and Belgrade with its effectiveness and resilience.

While it is now struggling desperately on the battlefield, the KLA has already scored an important political victory: This ill-organized, poorly armed group of students, peasants and former political prisoners has forced its insurgency in an obscure corner of Europe to the top of the international agenda.

While the battle for the future of Kosovo is far from over, it is clear that the Kosovo Liberation Army will be central to its final outcome — just as its leadership always insisted it would be.

The KLA's first challenge is survival. The rebel army, which once numbered at least 8,000 members, was as unprepared as NATO for the ferocity of the Yugoslav military offensive unleashed in Kosovo after the NATO air strikes began March 24.

Although the KLA had attempted since last autumn to stockpile supplies and ammunition for a spring fighting season, many of its stores were depleted in skirmishes that began in December and intensified in January and February.

Top KLA officials have complained in recent weeks of being chronically short of ammunition.

A key part of the Yugoslav military's strategy against the KLA has been to drive a large number of ethnic Albanian

civilians from their homes, removing any base of support for the rebels and creating an immense logistical distraction — a "population bomb," in the words of one Western military official.

Sokol Bashota, a top official of the KLA's political directorate, conceded that the tactic had largely worked. "We have a big, big problem with civilians," he said in a telephone interview. "They are going from place to place. There is not enough food. There is not enough aid. We don't know how to help them, although we are trying."

Despite setbacks, the KLA has managed to remain active in Kosovo and preserve its basic command structure. At least 10 isolated enclaves in the province remain under loose rebel control, although the situation changes almost daily, and government security forces, at least until recently, were able to move pretty much where they wished, Western officials said.

KLA sources said the rebels had established a narrow corridor from northern Albania, near the border town of Tropoje, to about 11 kilometers (7 miles) inside Kosovo, and they are trying to reach the town of Junik.

The rebels hope that NATO, using its newly arrived Apache attack helicopters, will punch a much broader corridor into Kosovo, allowing trapped refugees to flee and, the KLA hopes, the rebels to be resupplied.

Nearly 8,000 recruits, including Albanian-Americans, are training at camps in northern Albania in preparation for joining the fight in Kosovo, and KLA officials say the shortage of ammunition had eased in the last 10 days.

Widespread violence in Albania over the forced expulsions of Kosovo Albanians has prompted the government to assist the guerrillas much more directly than in the past. It has now begun turning over trucks and ammunition to the rebels, according to Western and Albanian officials.

In addition, NATO air strikes have helped the KLA achieve scattered tactical victories, including the capture of Yugoslav Army weapons and ammunition.

The principal obstacle to closer military cooperation at this stage, sources report, is that NATO continues to use a cumbersome process for selecting its targets, involving advance planning and complicated logistical support.

That fact, more than anything else, is preventing KLA members from acting as spotters for Western warplanes. "Sometimes," Mr. Bashota said, "they are doing the right thing and going to the right place, and sometimes not."

## INDIA: Gandhi Loses Key Political Ally

Continued from Page 1

The announcement by Mr. Yadav, made by aides at a tumultuous news conference in his Samajwadi Party headquarters, contained harsh criticism for his presumed secular allies in Congress as well as for Mr. Vajpayee's Bharatiya Janata Party, which was formed to promote Hinduism as the national religion.

"The Bharatiya Janata Party and the Congress Party are both responsible for the destruction of this country," Mr. Yadav said in a statement. He blamed Congress for sinking the impoverished nation into debt and accused both parties of fomenting "communalism," which in India means religious fanaticism.

Aides to Mr. Vajpayee, visibly buoyed by the chaos in Congress's ranks, suggested Friday that he should be given a chance to form a new government, despite his coalition's 270-269 defeat in a vote of confidence on the House floor last weekend.

"Congress and its supporters are still groping in the dark with no light at the end of the tunnel," said a Bharatiya Janata official, K.L. Sharma.

Aides to Mrs. Gandhi tried to play down the significance of Mr. Yadav's defection. "We are quite confident that the unity of secular forces will be maintained," said Arjun Singh, a Congress spokesman and an adviser to Mrs. Gandhi.

"The underlying opinion of all sec-

ular parties," Mr. Singh added, "is that communal forces cannot be allowed to stage a comeback."

The unforgiving mathematics of India's current parliamentary alignment make it difficult to imagine how Mrs. Gandhi can now find enough support to form a government. Mr. Yadav's 20 seats are gone, and two smaller leftist parties have said they would follow suit.

If Mrs. Gandhi cannot produce the necessary support, analysts said, she will either have to give up or try and form a coalition government, which would mean including an array of disparate and bickering partners in a power-sharing arrangement, some of whom have refused to participate in their rivals' do.

Few observers believe such a partnership would last as long as Mr. Vajpayee's fragile coalition, which fell apart after 13 months, or provide the "stable" alternative rule that Mr. Narayanan asked Mrs. Gandhi to try and produce.

This greatly increases the chances that the president will call for elections to be held within the next several months, even though both major parties would like to avoid them.

It was not completely clear why Mr. Yadav chose to break with Mrs. Gandhi, but his move was in many ways similar to that of Jayalalitha Jayaram, the political leader from Tamil Nadu state who single-handedly routed down Mr. Vajpayee by breaking with his coalition several weeks ago.

Both politicians' motives had everything to do with political calculations in their home states. In the case of Ms. Jayalalitha, who uses a single name, she was trying for a comeback as former chief minister of Tamil Nadu and feared the government would destroy her chances by pressing for trials in a number of corruption charges against her.

In Mr. Yadav's case, the humbly born politician had built a strong base of support among members of lower castes and religious minorities in Uttar Pradesh, in direct competition with Congress. Apparently he feared that by signing on to Mrs. Gandhi's bandwagon he could lose that edge, along with his raison d'être as a populist leader.

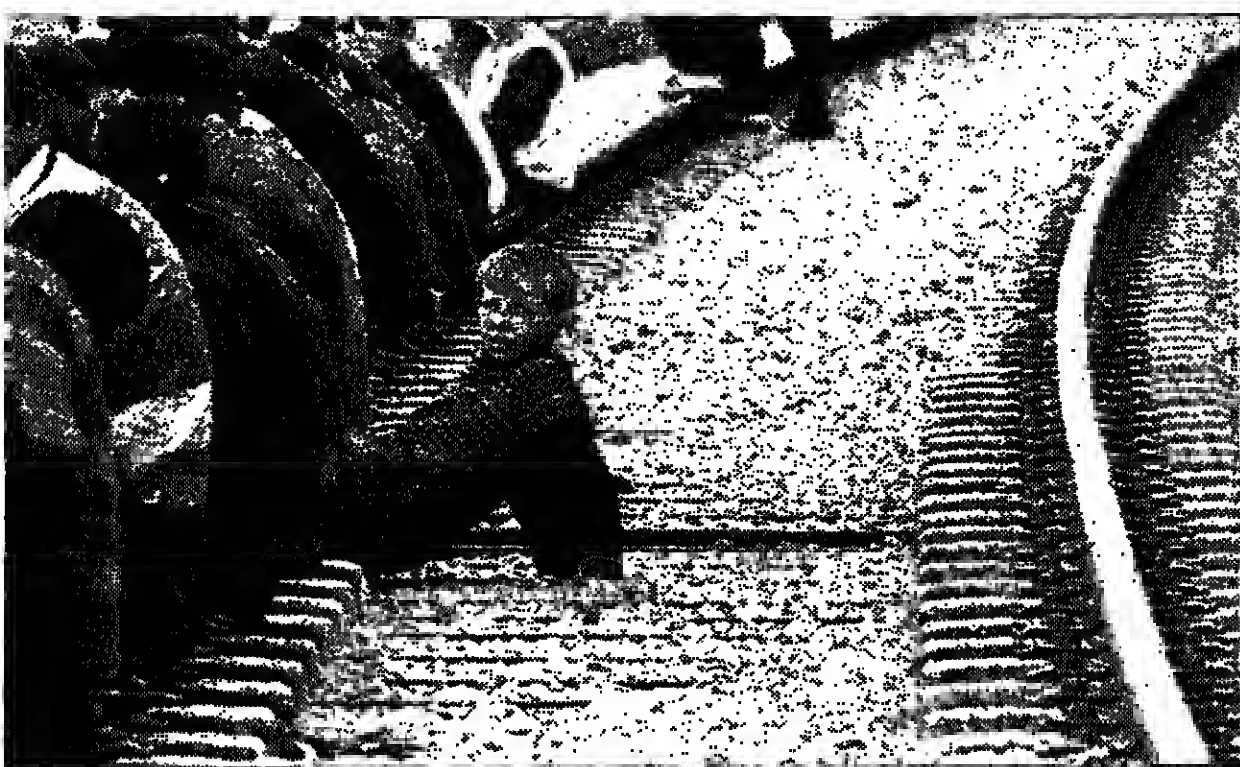
## Associates of Anwar Face Perjury Charges

The Associated Press

**KUALA LUMPUR** — The adopted brother of Anwar Ibrahim was charged Friday with two counts of sodomy, indicating that Malaysia may proceed with sodomy charges against the former deputy prime minister.

Sukma Desmanan, the adopted brother, Mohamed Azmin Ali, Mr. Anwar's former personal secretary, and Miror Abdul Razak, a dressmaker, were all charged with committing perjury in Mr. Anwar's corruption and sex trial.

Mr. Sukma was also charged with one count of assisting Mr. Anwar in an act of sodomy, and one count of sodomy. All three pleaded not guilty and were freed on bail.



Ethnic Albanians from Kosovo sitting on railroad tracks in Reps, Albania, as they waited for aid Friday.

## Czechs Got Into NATO — and Into War

Havel Tells His Countrymen That Kosovars' Fight Is Their Fight as Well

By Peter S. Green  
International Herald Tribune

**PRAGUE** — The Czech Republic is at war, and Vaclav Havel is a worried man.

For most of this decade, the Czech president waged a political battle to convince the United States, its European allies and his people that the Czechs must join NATO to secure their peace and freedom. Yet only two weeks after formally becoming members of the alliance, the Czechs found themselves at war with Yugoslavia.

Not only is he worried about the human costs of the war, but he says he is concerned by tepid public support in the Czech Republic for NATO's action. "Only NATO membership means the fall of the Iron Curtain. Only this is the end of the violent division of the world," Mr. Havel said in an interview this week.

But, he said, less than 10 years after the fall of communism, many of his people do not understand what is at stake for them in Yugoslavia.

"Some people are bewildered by freedom, and they think that freedom means above all taking care of oneself. And unfortunately, some politicians recently supported this feeling rather than opposing it," he said.

His prime minister, Milos Zeman, has given only lukewarm support to NATO's action in Kosovo. The opposition leader, Vaclav Klaus, has called the bombing of Yugoslavia a mistake that precipitated the Kosovars' exodus and he was reportedly asked by the Americans not to disrupt NATO's 50th

birthday party in Washington this week-end with such statements.

These views have pushed Czechs' support for NATO's bombing in Yugoslavia down to 34 percent and forced Mr. Havel, who recently said he was hoping to write his memoirs, back into the political spotlight.

The Czech president has few executive powers, but reluctantly shouldering the burden of statesman and leader, Mr. Havel has used his position to rally public support for NATO and encourage politicians to carry out their duties as NATO members.

Perched on the edge of a tan leather sofa in his comfortable, suburban Prague villa, the president sips a glass of Cognac (he gave up smoking when he lost a lung to cancer two years ago) and explains his sense of duty.

"If the situation calls for my open participation, I do take part, but it is the situation that makes me do so, rather than some need to be seen more," Mr. Havel said. "In a democratic system everybody should be replaceable, but I still feel I can be of some use to the country. If I had not been driven by this sense of responsibility, I would have found a more comfortable existence."

Acting on that conviction, Mr. Havel gave a powerful television interview last weekend, telling Czechs that they, too, are part of the war in Yugoslavia.

"Doing it to those Albanians is as good as doing it to me," he said. "That is the fundamental principle: if anybody is being hurt, I'm being hurt." He added that the Czechs cannot be passive members of NATO.

"We can't be the one who hopes that

others will help him but who will not help anybody himself," Mr. Havel said.

"Simply put, that would be suicidal." The result has been a dramatic firming of popular support for NATO, now near 60 percent, even if only one-third of Czechs support NATO's bombing campaign in Yugoslavia.

Mr. Havel's support has risen, from 42 to 58 percent in recent months, as Czechs see the stark contrast between some politicians and the president's own clear stands.

## BRIEFLY

### Police See Racism In London Blast

**LONDON** — British police said Friday that racism was the most likely motive behind a nail-bomb attack in a busy market street in the south London suburb of Brixton, which has a large black population.

"We are exploring every motive, but top of our list, I have to say, is the race issue," said Hugh Orde, who is in charge of the investigation.

Mr. Orde told BBC radio that the claim by a far-right extremist group, Combat 18, that it planted the bomb was being taken seriously. Dozens of people were wounded in the April 17 blast.

### Spain Aide to Quit

**MADRID** — Agriculture Minister Loyola de Palacios is to leave her cabinet position to head the governing Popular Party's European electoral list, news reports said Friday.

Miss de Palacios will remain in her current post for another week before resigning to lead the Popular Party's campaign for European elections due June 13, National Spanish Television reported. (AP)

### Havels Drop Suits

**PRAGUE** — President Vaclav Havel and his wife, Dagmar, dropped their libel case against several media organizations Friday.

Last October, a court ordered a halt to the circulation of a book that included a doctor's account of Mr. Havel's 1996 lung cancer surgery and his subsequent marriage.

The Havels then pressed libel charges against the book's author, Premysl Svora, as well as a TV station and two dailies for publishing stories suggesting infidelity on the part of Mr. Havel's wife. (AP)

## BOOKS

### SINATRALAND

By Sam Kashner. 192 pages.

\$22.95. Overlook.

Reviewed by Jonathan Yardley

THIS uncommonly original and engaging first novel has one flaw — there is a sharp, unexpected change in tone and mood about halfway through — but this is nothing to get exercised about. Sam Kashner, previously a laborer in the vineyards of nonfiction, has written a smart, funny, knowing novel about what it is like to be a certain kind of American man, one all too familiar to all too many American women.

He is offered here as personified by "Finkie" Finkelstein, a son of New Jersey whose entire adult life — if "adult" is the word for it — has been spent in an obsessive infatuation with his fellow New Jerseyan Frank Sinatra. The men are friends only in the mind of Finkie, who conducts a "one-sided conversation with Frankie" in a series of letters — confessions

and pleas, really — that make up the novel's narrative.

The correspondence begins in the 1950s and continues through Sinatra's death. At the beginning Finkie is just turning 50 and is in the midst of one of the numerous crises that beset his working and personal lives. He's a salesman for "the window shade company Weis & Rifkin," but the roof caves in on it (literally), and as Finkie says: "Well that's the thing about the shade business, Frank, it has its ups and downs. (I thought I would try to cheer us both up with a little shade humor. Something tells me it's a little late in the day for that.)"

Finkie sells his shades and has his romantic ups and downs, but the life that matters most to him is lived in a place called Sinatraland, one that he for a long time regards as epitomized by a casino Sinatra briefly owned called Cal-Neva, "a dream come true" that "not only offered music, gambling, the bright lights and roulette wheels of Vegas or Monte Carlo, but it offered night life and razzle-

dazzle juxtaposed with giant trees, clean air, outdoor sports and purple mountains."

"God," Finkie says, "we were happy there." But as his own life moves from one marital crisis to another, as he frets over his daughter, Nancy Ava ("Yes, Francis, we named her after your first two successful marriages"), as he suffers through divorce and late-middle-age romance, he comes to realize that Sinatraland is strictly a dream world, inhabited by boys who never figured out how to grow up, an "overextended youth" in the words of his ex-wife, Jill.

"I felt at various times in my life," Finkie writes, "that in Sinatraland we lived in a kind of dream, a dream in which nothing was real but the waiting, whether it was waiting for night to come or waiting for the women for whom we caused so much pain."

What Finkie cannot see, until he has a shocking encounter with the cold reality of Sinatraland, is that his hero is "someone whose experience of the world has left him... cold and dark and empty,"

## New Study of the 'Gay Gene' Finds There Might Not Be One

By Erica Goode  
New York Times Service

**NEW YORK** — Underscoring the difficulty scientists face in finding the genes that underlie complex human behaviors, a team of researchers reported Friday that it was unable to confirm a widely publicized study linking male homosexuality to a small region of one chromosome.

But experts in behavioral genetics said the report, which appears in the journal *Science*, did not rule out a genetic influence on sexual orientation or the possibility that a gene or genes for homosexuality lay on the X-chromosome.

Because the question of whether homosexuality is innate is politically charged, the new findings very likely will revive discussion of the issue.

In the new study, a team of Canadian researchers tried to replicate work by Dean Hamer, a geneticist at the National Cancer Institute. In a 1993 study of 40 pairs of homosexual brothers, Mr. Hamer found that an area on the bottom half of the X-chromosome was identical in 33 of the pairs, indicating that one or more genes in the region, called Xq28, could be connected to the brothers' sexual orientation.

In men, the X-chromosome is inherited from the mother. It pairs with the Y-chromosome to form the so-called sex chromosomes, the last of the 23 pairs of chromosomes that appear in all the cells of the human body.

A second study by Mr. Hamer's laboratory, published in 1995, also found evidence for such a link, although the effect was smaller.

The Canadians, led by Dr. George Rice of the University of Western Ontario, compared DNA from 52 pairs of homosexual brothers. They said the results "do not support an X-linked gene underlying male homosexuality."

The failure to replicate the earlier study is typical of the zigzagging course of efforts to find genes that influence complicated traits or illnesses such as schizophrenia, manic depression, alcoholism and hypertension.

Dr. Kenneth Kendler, a professor of psychiatry at Virginia Commonwealth University, said that finding such genes was a formidable task and that available technology was limited.

"Fifty years from now we're going to look back at this and say we were toddlers stumbling around in a playpen," he said. "This is a raw science at this stage."

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### n U.S. Beef

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Page 7. Page 5. Pages 6-7. Pages 18-19. www.ihnt.com

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Challenges for NATO

## Redefine Its Role

The caterers and champagne producers may be disappointed that NATO has scaled back its 50th anniversary gathering in Washington this week because of the conflict in Kosovo, but the alliance need not mourn the change. After unsuccessfully seeking a new purpose since the end of the Cold War, NATO has found a difficult but worthy challenge in Yugoslavia.

Abstract debates about NATO's role in Europe have suddenly given way to tangible decisions about combating Slobodan Milosevic. A month of warfare in the Balkans has exposed the strengths and weaknesses of the alliance. This weekend is a fine moment for NATO to consider how it intends to prosecute the war and to ponder how to deal with eruptions of ethnic violence in the years ahead.

The threats and military doctrines that once defined NATO are obsolete, and the alliance must recognize that its role now may be as much offensive as defensive. Europe no longer faces a monolithic threat from the East. Today the greatest danger comes from ethnic conflict and regional satraps like Slobodan Milosevic.

But NATO can play a critical role, as Kosovo shows. Even though the air lacks the approval of the United Nations Security Council, it has the endorsement of NATO's 19 members — 17 European nations, Canada and America. That unity may come with some hesitation about when and how intensely to attack, but Kosovo has demonstrated that Washington and its allies can act collectively against aggression, and act compassionately to assist refugees.

The immediate issue before the alliance is whether to open the invasion option by drafting plans for a land campaign and sending ground forces to the Balkans. The answer should be affirmative. Air strikes may yet compel Mr. Milosevic to seek peace. NATO, in the end, may decide that the use of ground troops is not justified, or may employ

them as peacekeepers if a political settlement is reached. But the alliance should not preclude the option. If nothing else, the movement of troops, tanks and artillery, which is likely to take two or three months, may cause Mr. Milosevic to reconsider his position.

The extended time required to assemble an army of at least 100,000 soldiers in the Balkans suggests that NATO needs a more agile fighting force. Mr. Milosevic might have acted with greater restraint had he feared the presence of more mobile ground forces in Europe, even if NATO initially said it had no plan to use them. Size and firepower may be less important than speed and maneuverability in an era of regional and local conflicts.

President Bill Clinton and his NATO counterparts should also discuss the sensitive issue of when it is appropriate for NATO to intervene in a nation such as Yugoslavia. When an aggressor strikes across borders, especially those of a NATO member, the case for a military response is usually clear.

Kosovo suggests that intervention may also be justified when a tyrant orders a genocidal assault against his own people or drives hundreds of thousands of citizens from their homeland. It would be preferable for NATO to act with the approval of the Security Council, and the alliance should move only after diplomatic efforts fail. But there will probably be other cases where action is required and Security Council support is unobtainable because Russia or China object.

President Harry Truman and the leaders of a war-battered Europe gathered in Washington at midcentury to meet the rising threat of the Soviet Union. The alliance they formed helped preserve the peace for five decades. At the close of the century, Mr. Clinton and his allies must determine how to wage a small but dangerous war in the Balkans and how to reshape NATO to serve a Europe that is largely free but not yet immune to conflict.

—THE NEW YORK TIMES

## Protect the Kosovars

"He is engaged in one of the worst slaughters of human beings that we have seen since the end of World War II." That was Defense Secretary William Cohen talking about the Yugoslav leader, Slobodan Milosevic, in congressional testimony Wednesday. The extent of the slaughter remains uncertain, but there can be no doubt that Mr. Milosevic is responsible for terrible and massive crimes against humanity in Kosovo — not only killings, but also rapes, mutilations, robberies and expulsions. As many as 1.4 million people, most of Kosovo's prewar population, have now been forced from their homes, U.S. officials say.

That is the context of the NATO summit meeting that President Bill Clinton convened in Washington on Friday. That NATO is taking military action against Mr. Milosevic, and retaining unified four weeks into that operation, can be a source of satisfaction as leaders of its 19-member nations gather. But NATO's failure to stop or even slow the slaughter that Mr. Cohen noted must be a cause of mortification and self-questioning among alliance leaders. NATO calls for patience, but 18 physicians recently escaped from Kosovo warned Thursday that thousands of civilians still trapped inside are within a week or two of starvation, according to Physicians for Human Rights. Mr. Milosevic's forces are simply denying them access to food or medicine.

## The Task for Jakarta

Deadly violence returned to East Timor last week, and militias backed by the Indonesian Army are clearly to blame. Their goal is to thwart a plan by the Indonesian president, B.J. Habibie, to let Timor's people choose between autonomy and independence. A tentative cease-fire signed Tuesday is encouraging, but not enough. The United States and other countries must insist that Mr. Habibie disarm and disband the militias.

Indonesia's annexation in 1976 of the former Portuguese colony has never been recognized by the outside world or accepted by Timor's people. Mr. Habibie wisely recognized that an Indonesia struggling to recover from economic collapse and moving toward

democratic elections would be better off letting East Timor go its own way. Indonesia and Portugal are negotiating arrangements for a vote on autonomy. If the Timorese vote no, Indonesia would concede independence. But this solution could fall apart if Jakarta fails to stop the militias, which have acted with the blessing of local army and police commanders. Washington must warn Indonesia that international loans could be suspended unless it acts.

The autonomy talks should also be completed quickly so that UN monitors can be sent. These are critical days for East Timor. A strong international message to Jakarta can make a difference.

—THE NEW YORK TIMES

## Don't Use Talk About Values to Avoid Gun Control

By E. J. Dionne Jr.

WASHINGTON — On March 25, 1911, shortly after 4:30 P.M., a fire roared through a building in New York City where the Triangle Shirtwaist Co. used three floors for a clothing factory.

To keep the workers from leaving their sewing machines, the owners had locked the doors that led to the exits. Those locked doors (and a collapsing fire escape) created one of the great industrial tragedies of American history — 146 women died in less than 15 minutes. Triangle Shirtwaist became a popular shorthand for what was wrong with factory safety laws and unleashed a wave of reform.

Might the deaths at Columbine High School in Littleton, Colorado, spark new consciences as the Triangle Shirtwaist fire sparked those of our forebears 88 years ago?

Perhaps that is hoping for too much. Every time we Americans face a violent incident in which children are killed in schools, we have the same useless national argument. One side says that the events prove the need for tougher gun laws. The other says the problem lies in "our culture," or perhaps our family structure. People fill the time on the television talk shows until the story recedes in memory — and nothing happens.

The argument is useless because it is

not designed to reach a result. You could even argue that it is designed to prevent a result.

Of course there are problems in our culture. We do need to ask why weird subcultures, white supremacist cults and violent, suicidal pop music have such reach with so many among the young.

But the culture-and-family argument is invoked most often as a dodge by opponents of all gun regulation. They want to evade discussing why American laws make it so easy for young people to put their hands on weapons.

"It's not a gun control problem," insisted Representative Bob Barr, Republican of Georgia, a National Rifle Association board member. "It's a culture control problem." After a tragedy like this, Mr. Barr, could you please consider the possibility of examining our gun laws as well as our culture?

The Republican presidential candidate Pat Buchanan denounced our "polluted and poisoned culture" and wondered about "the upbringing or education of these two boys." At the time he issued his statement, we knew very little about the upbringing of the boys at the center of the incident. But we did know that they had access to

lots of weaponry. About this, Mr. Buchanan said not a word.

The National Rifle Association graciously decided to cut short its convention next week, scheduled in Denver, not far from the scene in Littleton. This is not a good time to stage a gun celebration.

But if its leaders are truly in solidarity with the dead and the mourning in Littleton, the organization might consider adding a day to its program devoted to rethinking its absolutist position on gun regulation. Don't the events at

"People who want to have gun control need to acknowledge the legitimacy of the hunting and sporting tradition that involves 15 million to 18 million people — the legitimacy of the gun culture," he said in an interview. "Gun control opponents have to acknowledge the legitimacy of some gun regulations, understanding that regulation in turn acknowledges people's right to own guns."

Americans ought to be able to agree that the heaviest regulation falls on the most dangerous weapons, he said, and be aimed at keeping guns out of the most dangerous hands, including those of children and teenagers.

Parents accept many sacrifices and inconveniences in the name of protecting their children. Certainly parents who are gun owners place an infinitely higher value on their children's lives than on their right to absolutely unfettered access to weapons. If gun owners who have children in school search their consciences and take the lead in our national debate, we might find our way to a safer, saner approach to gun control.

And then we should discuss the state of our values and our culture. As long as values talk is used only as a ploy to prevent gun control, it will not be taken seriously.

The Washington Post.

Every time children are killed in schools, people fill the time on TV talk shows until the story recedes in memory — and nothing happens.

Columbine High shake the organization's utter certainty just a little?

Robert Spitzer, a professor at the State University of New York at Cortland and author of "The Politics of Gun Control," offers a formula that might move the gun debate off dead center. Think of it as a national peace agreement.

## NATO Was Never Intended to Be the World's Policeman

By James Chace

ANNANDALE-ON-HUDSON, New York — Organized 50 years ago to meet any Soviet threat to Western Europe, the North Atlantic Treaty Organization never had to engage its troops in any conflict on the continent of Europe. To celebrate its anniversary, the 19 members of NATO had long planned to gather this weekend in Washington for such an occasion. But today the NATO nations are waging war in the Balkans, and the consequences of that engagement will define the future of the alliance.

NATO has been remarkably successful in deterring a major war in Europe and has avoided engaging in conflicts elsewhere — except in the Gulf, where its vital interests were threatened. The founders of NATO never intended it to serve as a global gendarmery.

For the United States, joining NATO was a historic move made possible by the resolution of three men — President Harry Truman, and his secretaries of state, General George Marshall and Dean Acheson. Not since the alliance with France in 1778, which lasted two decades, had the United States agreed to a long-term security alliance in peacetime. Certainly an one expected NATO would ever endure until 2000. Now, enlarged by the addition of three newly democratic countries of Central Europe, NATO is preparing to extend its life into the next century and redefine its mission.

In his efforts to persuade Congress to sign the NATO treaty, Mr. Acheson assured the American people that the NATO treaty, which considered an attack on one as an attack on all, did not automatically commit the United States to go to war. The power to declare war still rested in the hands of Congress.

Nevertheless, as he explained in a radio address to the nation, "decent people kept their contract obligations." What NATO needed, he later said, was a common plan, a common effort and a common strategy.

Absent the Soviet threat, NATO's common task in the 21st century is to ensure the security and stability of Europe. This year the European great powers — in this case, Britain, France, Germany, and yes, the United States — decided not to permit a civil war to rage in Kosovo and, in particular, to prevent Serbia from pursuing a brutal, if not to say genocidal, policy against the ethnic Albanian Kosovars. The European powers could have chosen to abstain, but they did not, fearing that a civil war would spread. When the supreme commander of NATO is an American general, the United States could hardly refrain from joining its allies in this effort. But the exercise of power in Kosovo is

not a model for future global interventions. It would be folly to intervene far and wide to set wrongs right. In defining the future role of NATO, the United States, as the leading power in an alliance of nations, must be careful not to urge NATO to play a part in humanitarian or other interventions that are beyond the European theater unless there is a clear threat to European security.

In the case of the Gulf War — when Iraq's invasion of Kuwait threatened the balance of power in the Gulf, and thus the flow of oil to other nations — force was justified. In fact, so broad was the Iraqi threat to vital resources that nations other than members of NATO were happy to join in. They might also do so in conflicts in North Africa or the Middle East.

But NATO cannot be the world's policeman. Political leaders in Europe and America would have a daunting task to persuade the alliance to intervene in situations that involve even the most damning violations of human rights — for example, in East Timor, in Burma, in Tibet, in the Congo. This must be kept firmly in mind when the U.S. administration is urging its European allies to embark on new initiatives to combat weapons of mass destruction, terrorism and threats from "rogue states" such as Iraq and Libya.

To begin with, NATO must succeed in its current role as a kind of latter-

day European security organization that would intervene to prevent border from being changed by force, that would consider genocidal cleansing impermissible and that would project power beyond its shores to those forces which would undermine the stability of the continent.

What is therefore needed at this juncture is clarity of purpose. As a European power, the United States has to be willing to join with its allies to enforce the stability of Europe. Otherwise, NATO is a corpse on horseback, and any plans for an expanded role for such an alliance are doomed.

The United States — and the other NATO powers — would do well to heed the admonition of Mr. Acheson's favorite foreign minister, Lord Palmerston, who held the reins of the British foreign office in the last century, when he wisely told England "to be the champion of justice and right; pursuing that course with moderation and prudence," but not becoming "the Quixote of the world." It would surely be quixotic if NATO were to become a globalized military enforcer.

The writer, who teaches at Bard College, is the author of "Acheson: The Secretary of State Who Created the American World." He contributed this comment to The Washington Post.

## The Wisest Strategy Is to Keep Up a Merciless Air War

By Thomas L. Friedman

NEW YORK — It is said that a camel is a horse designed by a committee. It may not be pretty but it gets the job done, especially in the desert.

By that standard, NATO's air war over Yugoslavia is a military strategy designed by a 19-member alliance. It is also not pretty, but its very weakness could be a strength.

Bombing from 4,500 meters (15,000 feet) is the only military strategy that all 19 NATO members, the U.S. Congress and the Russians can agree upon as tolerable in Yugoslavia today. While there are many

obvious downsides, this method does have one great strength: its sustainability. NATO can carry on this sort of air war for a long, long time. The Yugoslavs need to remember that.

While it is true that NATO will never liberate Kosovo from the air, there is still a chance that this sort of sustained bombardment can achieve our basic objectives, which are to compel Slobodan Milosevic, either tacitly or by negotiation, to enable the return of the Kosovo Albanians to their homes, with self-rule, protected by an international peacekeeping force that would patrol a fence between Albanians and Serbs.

But if NATO's only strength is that it can bomb forever, then it has to get every ounce out of that. Let's at least have a real air war. The idea that people are still holding rock concerts in Belgrade, or going out for Sunday merry-go-round rides, while their fellow Serbs are "cleansing" Kosovo, is outrageous. It should be lights out in Belgrade: Every power grid, water pipe, bridge, road and war-related factory has to be targeted.

Like it or not, we are at war with the Serbian nation (the Serbs certainly think so), and the stakes have to be very clear. Every week you ravage Kosovo is another decade we will see your country back by pulverizing you. You want 1950? We can do 1950. You want 1389? We can do 1389, too. If we can frame the issue that way, Mr. Milosevic will blink, and we may have seen his first fluster.

Will this strategy halt the barbarism still going on in Kosovo? No. The war to prevent the refugees from being thrown out of Kosovo, or abducted, was lost the first week — when NATO and the Clinton team bombed the Yugoslavs without having either adequate ground or air power in place to deter them, and without understanding Mr. Milosevic's capabilities or his intentions. That was a strategic blunder for which the Kosovars have paid dearly.

The question now is how best to reverse that, without the United States and NATO becoming so enmeshed in the Balkans that it will weaken their ability to operate anywhere else, and strain their cohesion as never before. The only way is a merciless air war.

What about ground troops?

NATO should begin planning for a ground war, as the British and French are urging, both because it might influence Mr. Milosevic to blink sooner rather than later, and because it would inject some realism into the debate about this subject.

The U.S. public and Congress need to understand just what would be involved in a ground war. Invading Kosovo means owning Kosovo. A ground war would likely require going all the way to Belgrade and end up making both Albania and Macedonia, from which any invasion of Kosovo would be staged, U.S. protectorates.

That is just one reason why, for now, we must stick to a strategy that at least holds out the hope of achieving our objectives without NATO ending up owning the Balkans. Because nothing would do more to sap public support for American internationalism than taking over history's oldest hot-spot.

Give war a chance. Let's see what months of bombing does before we opt for weeks of invasion, where, if we win, we get to occupy the Balkans for years. Let's make Kosovo Mr. Milosevic's Vietnam, not ours.

The New York Times.

## Dim 'Sunshine' Over the Koreas

By Tom Plate

SEOUL — The South Korean minister of foreign affairs and trade, Hong Soon Young, keenly appreciated in the Asia diplomatic corps for his patented jocular charm, has a hard job that is growing harder. He is the lead actor in President Kim Dae Jung's so-called "sunshine policy," South Korea's version of an engagement policy for North Korea, an approach analogous to that practiced by the United States toward China. But jocularism is tough to sustain when sunshine is the last word anyone would apply to South Korea's disaster of a neighbor up north.

Mr. Hong, a career diplomat with a track record that has included the key posting to Russia, sees the North Korean leader, Kim Jong Il, as even more recalcitrant than his infamous father, the founder of the Democratic People's Republic of Korea.

Mr. Hong's further fear is that the patience of the South Korean people with the North is running out fast; so is that of the U.S. Congress. "I tell my friends there: We have to be very careful in talking about war and North Korea," he said. "If you make snap judgments and overreact to any one provocation from the North, you are playing with fire." At the same time, he noted, "North Korea is playing dangerously with the pride and prestige of

the world's superpower. They had better not do that for too long or too much."

Mr. Hong both admires and is irritated by the ambivalent role of China. North Korea's last significant remaining ally.

Years ago, Beijing began reducing its endlessly needy ally's food allotment. Then North Korea was hit with enormous, harvest-destroying floods. That one-two punch conspired to produce one of the worst famines in memory.

Now the minister hopes for more Beijing involvement in North Korea's plight, not less. For China's "rather open-minded and pragmatic" leaders, North Korea is little more than one big, persistent annoyance. "Still," Mr. Hong said, "China is starting to do its share to stop North Korea from firing any more missiles." That statement was the first official confirmation that Beijing is now trying to prevent North Korea from launching another missile test like the one that zoomed over Japan last summer.

Japan is another dilemma for South Korea. Tokyo was deeply shaken by the North Korean missile test last summer and has had its pride wounded by exclusion from the four-party talks involving the two Koreas, the United

States and China. Mr. Hong accepts the suggestion that Tokyo be invited to sit at the table. And Moscow, too: "Moscow's influence with North Korea is great. That's why the sooner Kosovo is over, the better."

Mr. Hong offers the world what might be called the Kosovo paradox: Russia, he says, will not help control North Korea as long as NATO is bombing its ally Serbia. A prolongation of the Kosovo caper would preoccupy America until the world's greatest democracy gets bogged down in the internal warfare of the presidential campaign. "I am so worried about the coming debate in Washington, over China as well as North Korea," Mr. Hong said. He added, "It would be difficult for everyone if the U.S. pulled back from sunshine."

But that is exactly what could happen if, in the heat of the presidential race, the off-flexible Clinton-Gore administration throws sunshine out the political window. What then? "What North Korea must understand is this: Until and unless we are attacked by a full-scale war," Mr. Hong said, "there will be no war on the Korean Peninsula."

But that, of course, is the most conspicuous cloud looming over the sunshine policy: It asks for North Korea to be a rational player.

Los Angeles Times.

## Herald Tribune

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Tel: (1) 41.43.93.00. Fax: Subscriptions: (1) 41.43.92.10. Advertising: (1) 41.43.92.12. News: (1) 41.43.93.38.  
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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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## Jakarta Decentralizing To Head Off Separatism

### Provinces Get Economic and Political Power

By Michael Richardson  
International Herald Tribune

SINGAPORE — New autonomy laws approved by Indonesia's Parliament will shift a significant amount of economic and political power away from the central government toward the provinces in the world's largest island-nation, officials and analysts said Friday.

The far-reaching decentralization bills were drawn up by the government of President B.J. Habibie to defuse an alarming rise in separatist sentiment in parts of Indonesia and to prevent a possible breakup of the multiethnic country.

Analysts said that the decentralization measures were an attempt to forestall independence demands following the unrest in East Timor, which could be granted autonomy by Jakarta.

A priest in the East Timorese capital, Dili, said Friday that at least eight people, and possibly as many as 100 have been killed since Monday in attacks by pro-Jakarta militias on pro-independence supporters on the island.

The autonomy bill, passed by Parliament on Wednesday, and a separate fiscal measure awaiting final approval late on Friday, are intended to create "regional governments that are truly decentralized, independent, effective and supported by strong provincial parliaments," said Home Affairs Minister Syarwan Hamid.

The fiscal bill, cleared by a key parliamentary committee Thursday, will give resource-rich provinces a substantial share of the estimated \$1.4 billion in annual revenue from oil and natural gas production that now goes to the central government. But it may result in poorer provinces getting a smaller handout from Jakarta.

As a result, some analysts expressed concern that the new revenue split might alienate poor provinces while emboldening those where vocal secessionist groups are active to press for outright independence.

Secessionist agitation has increased in staunchly Muslim Aceh Province and Indonesia's main oil production center of Riau on Sumatra Island, as well as in Irian Jaya on the western half of New Guinea Island.

The agitation has followed the end of President Suharto's authoritarian rule last year, the weakening of the military's previously tight grip on provincial affairs, and the widespread impact of recession, unemployment and poverty.

Aceh is the site of one of Indonesia's largest facilities for producing liquefied natural gas for export. Irian Jaya has extensive reserves of both oil and gas. In Riau, Caltex Pacific Indonesia pro-

duces nearly half the country's oil output of 1.5 million barrels a day. The company is the Indonesian unit of the U.S.-based Caltex oil group, which is owned by Texaco Inc. and Chevron Corp.

Other analysts said that the new legislation would prompt debate between political parties contesting parliamentary elections in June over the sensitive issue of whether Indonesia, which is currently a unitary state, should adopt a federal system of government to accommodate more than 300 ethnic groups and many different religious beliefs across more than 13,000 islands.

"The idea of federalism is not a bad one for a country as big and diverse as Indonesia," Jusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies, in Indonesia, wrote in an article in the Jakarta Post on Friday.

The autonomy bill gives extensive authority to 26 of Indonesia's 27 provinces in all matters except for defense, foreign, judicial, fiscal, monetary and religious affairs, and matters deemed "strategic."

East Timor, the 27th province, is a former Portuguese colony that was invaded by Indonesia in 1975 and annexed the following year, although the takeover was never recognized by the United Nations. The Habibie government has said Indonesia will consider allowing East Timor to become independent if, as expected, people there reject an autonomy offer from Jakarta in a UN-supervised ballot scheduled for July.

#### 2 Nations to Sign UN Proposal

The Portuguese and Indonesian foreign ministers have agreed to sign a UN autonomy proposal for East Timor early next month, paving the way for a ballot on the territory's future, The Associated Press reported Friday from the United Nations, quoting Secretary-General Kofi Annan.

Mr. Annan announced the May 5 signing date on the third and final day of UN-sponsored talks, saying the extra time was needed for Indonesia to approve two additional documents, on security for the ballot and other modalities, to the overall agreement.

He urged Indonesia to "effectively carry out its responsibility for law and order and the protection of civilians," on East Timor.

#### Death Toll in East Timor

At least eight people and possibly as many as 100 have been killed in attacks by pro-Jakarta militias on supporters of independence in East Timor, a local priest said, Reuters reported Friday from Dili, East Timor.

## Welsh Language Gets A Push in Patagonia

By Anthony Faiola  
Washington Post Service

GAIMAN, Argentina — Angharad Rogers, 27, is a Welsh woman in schoolteacher's clothing. And in this Patagonian village where the scent of Celtic spice cake wafts from the doors of quaint tea-houses, the Cardiff native has become one of the generals in Wales's centuries-old war for cultural preservation.

More than 100 years after settlers from Wales founded this town and left their imprint throughout the Argentine province of Chubut, Miss Rogers is on a mission to save the Welsh language and culture in one of the most isolated places on Earth: She has been assigned by the Welsh Office of the British government to teach the ancient tongue at a middle school here.

Near the bottom of the world, this village of 4,000 is home to choral groups, church services and even radio programs still conducted in crisp, old-style Welsh. Princess Diana, on her last trip to South America before her death in 1997, took a spot at tea in one of Gaiman's half dozen or so Welsh tea-houses — although she unwittingly left the town boiling by picking the only one not run by a Welsh descendant.

"It was so like an English person to slight the Welsh that way," Miss Rogers said, only half joking. "The glory of Chubut, in fact, is that it is perhaps the only place on Earth where Welsh has not been corrupted by the English," said Miss Rogers. "This is a Little Wales in Patagonia, and I think it's important to Welsh culture everywhere to keep it that way."

To be sure, Spanish is the main language used in Chubut, and the great-grandchildren of the original Welsh settlers take fierce pride in being Argentine. Nevertheless, in contrast to Wales itself, where only about 30 percent of the residents are fluent in their native language, the Welsh tradition is thriving here.

Today, the Welsh language is considered downright cool in Gaiman and in other parts of central Patagonia. As the region has become increasingly recognized for its unique heritage, Welsh has become trendy among the local youth. Student enrollment in Welsh language classes has more than doubled since Britain's Welsh Office began sending language teachers here in the early 1990s. Patagonian children are choosing to learn such words as *rhwyngwyr* (Welsh for c-mall)

partly because of a carrot offered by the British government, which, in 1996, began awarding six annual scholarships for Patagonians to study Welsh in Wales.

"It's very in fashion to speak Welsh right now," said Gabriel Restuiza, 27, whose great-grandmother was Welsh-born. He won one of the first Welsh scholarships and is now teaching the language at Gaiman's high school. "We have kids who don't have an ounce of Welsh blood but are eager to learn the language because they don't want to be left out of activities in town, and because they want to learn about the history of our region."

The Welsh influence here dates back to 1865, when 153 settlers founded the coastal city of Puerto Madryn, named after Sir Parry Madryn, a Welsh nobleman who assisted the settlers. On a ship named *Mimosa*, the group set out to escape an unforgiving life in the coal towns of Wales, and to seek cultural freedom away from the oppression of English society.

The settlers quickly moved inland to Gaiman. From Puerto Madryn in search of better land to cultivate. The settlement of the area by the Welsh, who were welcomed with open arms and financial assistance by an Argentine government eager for European immigrants to populate the vast emptiness of Patagonia, marked another chapter in South America's history of *utopia-seeking* immigrants.

And as with many of South America's religious and cultural pilgrims of the time, the Welsh, far from the green hills of Wales in this cold, arid region, clung to their traditions as a balm for homesickness. Among the most important was language.

The Welsh traditions in Gaiman include the singing of traditional religious hymns during funerals. Church services, led by a visiting pastor from Wales, often are conducted in Welsh. There is a café life that revolves around the Welsh tea-houses, which have also become something of a tourist attraction.

Until the Welsh Office in Britain agreed to spend \$40,000 a year promoting Welsh in Chubut, however, the language was on the verge of dying out, with only a handful of older women in Gaiman speaking fluent Welsh by the early 1990s.

Now, the scholarships in Wales and the teachers are helping the language stage a comeback.

Now, the scholarships in Wales and the teachers are helping the language stage a comeback.



Mr. Ishihara arriving at the metropolitan government office Friday for his first day as governor of Tokyo.

## Tokyo Chief Defends Anti-China Views

### New Governor Hits Back After Beijing Criticizes His Remarks on War

TOKYO — The new governor of Tokyo, Shintaro Ishihara, said after taking office Friday that he would not bow to foreign pressure to change his anti-Chinese views.

Mr. Ishihara, a prize-winning author and former cabinet minister in the governing Liberal Democratic Party, criticized China for its policies toward Taiwan and Tibet.

"As governor of Tokyo, I have my own assertions that need not be controlled by foreign countries," Mr. Ishihara, 66, said.

Mr. Ishihara has repeatedly irritated China with what Beijing has described as "abundant" anti-China views and derogatory remarks whitewashing Japanese atrocities committed before and during World War II.

Earlier this week, China's leading mouthpiece, the People's Daily, ran a commentary recalling several of Mr.

Ishihara's quotes from the past decade. They included his assertion that the 1937 Rape of Nanking, in which as many as 300,000 Chinese were slaughtered by Japanese troops, was a "fabrication" and that Japanese aggression rescued Asia from "colonization by white people."

Mr. Ishihara said Friday that there were no differences between his views on China and those held by the central Japanese government.

"On policies toward China, where do you find differences between my opinions and the government's opinions?" Mr. Ishihara said when asked by a Chinese reporter how he would coordinate his views with the central government.

Mr. Ishihara criticized China for threatening to attack Taiwan if it made any attempt to declare independence. "The fact that China's top leaders have clearly stated that depending on

the situation they would use force against Taiwan is a cause of our grave concern," he said.

"It is also very troublesome for Japan and Asian neighbors and it is a very horrible stance," he added.

Beijing has regarded Taiwan as a renegade province ineligible for sovereign contacts since 1949, when the communists drove the nationalists into exile on the island after years of civil war.

Mr. Ishihara also criticized China for what he called "inhumane" policies toward Tibet.

"Whether Tibet is part of China or an independent state, from the standpoint of human rights I state that I cannot accept the fact that China has been proceeding with policies that are never humane," he said.

"I can hardly think the Japanese government approves of such action," he added.

## U.S. Asks How Spy Suspect Stayed in Job

By James Risen  
New York Times Service

WASHINGTON — Energy Secretary Bill Richardson is investigating how a computer scientist at Los Alamos National Laboratory kept his access to nuclear secrets long after he was suspected of being a Chinese spy, officials said.

Mr. Richardson may soon take disciplinary action against officials who allowed the scientist, Wen Ho Lee, a Taiwan-born computer expert, access to nuclear-weapons designs for nearly three years after he emerged as a leading suspect in China's theft of data on the most advanced U.S. nuclear warhead.

Mr. Lee still had access to nuclear secrets at Los Alamos for more than a year after the director of the FBI, Louis Freeh, told Energy Department officials in 1997 that there was no longer any investigative reason to keep Mr. Lee in a sensitive position. When the FBI investigates spy cases, it often asks employers not to move suspects out of their

jobs to avoid tipping them off.

It was not known which officials might face punishment. Los Alamos and the other U.S. nuclear weapons laboratories are owned by the Energy Department.

Mr. Richardson's internal inquiry came just as congressional leaders presented President Bill Clinton with evidence that Chinese nuclear spying had continued during his administration.

The Republican chairman and the ranking Democrat on a select House committee that has investigated illicit transfers of high technology to China briefed Mr. Clinton on their findings Thursday, including evidence of Chinese espionage during the Clinton presidency.

Representative Christopher Cox, Republican of California, and Representative Norm Dicks, Democrat of Washington, told Mr. Clinton that the Chinese effort to steal American atomic secrets was "not ancient history."

The president did not dispute their findings, the two lawmakers said.

The issue of whether Beijing's es-

pionage has continued during the Clinton presidency is politically significant because of the furor over the administration's handling of evidence in the Los Alamos spy case.

In response to criticism that the White House sought to play down the evidence for fear of damaging American-Chinese relations, Mr. Clinton and his advisers have stressed that the loss of design data related to the W-88 warhead from Los Alamos occurred in the 1980s, long before Mr. Clinton took office.

Mr. Clinton stated last month that he had never been told about evidence of Chinese nuclear espionage during his presidency.

An administration official did not dispute that the briefing with the leaders of the Cox panel included a discussion of possible Chinese atomic espionage during the Clinton presidency. But the official emphasized that the information did not deal with assertions of further espionage at one of America's nuclear weapons laboratories.

## Munir Khan Dies; Developed Pakistan Bomb Project

International Herald Tribune

PARIS — Munir Ahmad Khan, 72, chief architect of Pakistan's nuclear program and a former chairman of the International Atomic Energy Agency, died Wednesday in Vienna after heart surgery.

Mr. Khan was appointed chairman of the Pakistan Atomic Energy Commission in 1972 by Prime Minister Zulfikar Ali Bhutto and oversaw the development of Pakistan's nuclear facilities, from fuel cycle fabrication to bomb design test units and eventually a working reactor.

He also spent 14 years with the International Atomic Energy Agency and was chairman of its board of governors from 1986 to 1987.

Last May, after India tested nuclear weapons near the Pakistani border, Mr. Khan wrote an opinion piece for the International Herald Tribune in which he called the tests "a suicidal act" and "an affront to world public opinion."

He warned that at a time when "the world has been trying to get rid of nuclear weapons," India's tests would touch off an arms race on the subcontinent. "Pakistan will perceive this as a direct threat to its national security," he wrote. "Pakistan will be forced to consider an appropriate response to this latest provocation."

Charles (Buddy) Rogers, 94; Husband of Mary Pickford

NEW YORK (NYT) — Charles (Buddy) Rogers, 94, the handsome leading man and band leader who starred in "Wings" (1927), the first film to win an Academy Award, and who later married Mary Pickford, "America's Sweetheart," died Wednesday at his home in Rancho Mirage, California.

Tall, slim and with brown eyes and black hair, Mr. Rogers was a versatile musician whose almost inadvertent screen career catapulted him to immediate stardom. But in some 35 films between 1926 and 1937 — vehicles with titles like "Fascinating Youth," "So's Your Old Man," "My Best Girl," "Abie's Irish Rose," "Varsity," "Dance Band," "Golden Hoofs" and

"Mexican Spitfire's Baby" — he never impressed critics as more than a pleasant performer.

He was best remembered for his starring role as an all-American boy who goes off to fight the Hun as a member of the Army Air Corps in William Wellman's classic World War I spectacle, "Wings."

After seeing him in "Wings," Miss Pickford, one of film's foremost stars, asked that he be cast in her next film,

"My Best Girl." In that whimsical 1927 film, she played a pretty salesgirl in a 5- and 10-cent store who captures the heart of Mr. Rogers, not knowing that he is the son of the owner of the chain of stores.

Miss Pickford, who had been married since 1920 to her second husband, Douglas Fairbanks, captured Mr. Rogers' heart off-screen as well, although they were not married until 1937, after Miss Pickford and Mr. Fairbanks were divorced. Their marriage ended only

## Kim's Rivals Focus on Rights Issue

By Nicholas D. Kristof  
New York Times Service

SEOUL — President Kim Dae Jung has been lionized around the world for his lifetime of struggle for human rights in South Korea, and he is often mentioned as a candidate for the Nobel Peace Prize because of his efforts to achieve peace and democracy on the Korean Peninsula.

So it is disconcerting for Mr. Kim that his government is being denounced by a South Korean opposition party this week in Geneva at the UN Commission on Human Rights. Members of the National Assembly are accusing him of using torture and illegal surveillance to suppress his opponents.

"There have been some positive steps taken by Kim," said Lee Shin Bom, a National Assembly member who is leading the delegation to Geneva. "But overall the situation has deteriorated in many areas."

Mr. Lee, who like Mr. Kim is a longtime fighter for democracy in South Korea and a former political prisoner, accused the government in a speech to the United Nations commission of endemic misuse of police, prosecutors and the intelligence agency for political reasons.

The catalog of accusations, strikingly similar to those that Mr. Kim used to level against previous presidents, has left Mr. Kim's supporters outraged and bewildered.

"It's nonsense; it's groundless," said Jay Yoo, vice president of Mr. Kim's party, the National Congress for New Politics. Mr. Yoo said he could understand the opposition's objection to Mr. Kim's economic measures or foreign policy, but not suggestions that Mr. Kim had become dictatorial since taking office a bit more than a year ago.

Indeed, one gauge that South Korea remains vibrantly democratic is that Mr. Kim's critics say the nastiest things about him and get away with it. Moreover, at least at the surface, South Korea has never been freer, for Mr. Kim has freed longtime political prisoners who had been punished for praising the Communist government in North Korea.

"We think democracy functions well here," a Western diplomat in Seoul said. "Koreans have won their long struggle for democracy, and it is working well."

Still, the leading opposition party, the Grand National Party, is accusing Mr. Kim of betraying the cause of democracy and of using the government apparatus for political purposes. The party, which organized the delegation to Geneva to denounce Mr. Kim, previously dominated South Korea and now is on the outside of power.

President Kim Dae Jung's intention is to see the collapse of the opposition party," Lee Hoi Chang, leader of the Grand National Party and Mr. Kim's main rival in the December 1997 presidential election, said this week. "If that happens, there will be no democracy in Korea."

Lee Hoi Chang and other critics assert in particular that Mr. Kim has used threats of punishment and exposure of damaging information to force members of other parties in the National Assembly to join Mr. Kim's party. In addition, Lee Hoi Chang's brother has been imprisoned and is now on trial on charges of campaign finance violations, in what critics complain is a political prosecution.

"The intention is to implicate my brother and inflict political damage on me," Mr. Lee said.

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## Japan Admits to Wider Sale of Cloned Beef

### Government Moves to Allay Consumer Fears That Research Cattle Was Unsafe

By Sheryl WuDunn  
New York Times Service

TOKYO — The Japanese government said Friday that 66 head of cloned cattle had been slaughtered and sold on the open market.

Scientists said they did not have any health concerns about the meat, which, they said, is identical genetically to the meat of the cattle that had been cloned.

But some consumers are apprehensive about the idea of eating cloned animals.

After acknowledging a week ago that it had allowed the sale of cloned beef, the government mounted a campaign to convince the public that eating cloned beef was safe.

On Wednesday, Shouichi Nakagawa,

the agriculture minister, ate a plate of cloned beef at a tasting party to dispel anxiety.

The sale of the meat also underscores the commercial potential of cloning. If successful and allowed to continue, cloning could drastically change the way meat is manufactured in this country, consistently developing the best beef-producing specimens and thus driving down Japanese beef prices, which are the highest in the world.

Bioengineering is not as divisive an issue in Japan as in Europe and the United States. But some Japanese still are alarmed over the ethical issue of raising cloned animals, even if they are domesticated animals that are currently bred for slaughter.

"Even if the cloning technique becomes possible, to manipulate life and to go beyond God's control — we need to think carefully whether to accept this or not," said Setsuko Yasuda, a spokeswoman of Consumers Union of Japan. "This discussion is lacking in Japan."

Shohei Yonemoto, a cloning expert at Mitsubishi Kasei Institute of Life Sciences in Japan, acknowledged the potential sensitivities.

"I guess it's just a sense of value, or shall I say, feeling," he said. "Whether one likes or dislikes it, whether one feels comfortable or not toward cloned meat."

The way the news came out also unsettled some consumers. They were told about the cloned beef only after it had been sold and eaten on the market, and it was never identified as such when it was sold.

Moreover, just last week, the government said that it knew of only two cattle clones had been sold, and Friday it dramatically raised the figure.

The cloned beef was inspected and approved by government licensed inspectors, and was graded as ordinary beef, according to Hayato Iwamoto, a spokesman for the Ministry of Agriculture, Forestry and Fisheries.

Government and cloning scientists have reassured the public that cloned beef is safe but people are wary.

"If I knew it was cloned beef, I'd hesitate to eat it," said Nobuko Hiwasa, a spokeswoman of the National Liaison Committee of Consumer Organizations.

"We would like information on what exactly cloned beef is. Is it safe?"

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## ART

Class Act  
In Nagoya'Sister Museum' Pact  
Comes to Fruition

By Christine Chapman

**N**AGOYA, Japan — With the Egyptian mummy mask and Claude Monet's 1891 painting "Haystack in the Setting Sun," the Nagoya/Boston Museum of Fine Arts debut here last week was a class act. They came together in two exhibitions provided by the Boston Museum in an unusual joint venture that has taken seven and a half years to realize.

"Monet, Renoir and the Impressionist Landscape," which displays 62 paintings from the Fine Arts' superior collection of French art, will be on view until Sept. 26. "The Art of the Ancient Mediterranean World," with more than 220 objects, will have a five-year run, until March 2004.

Nine-thousand Japanese devotees of French Impressionism filled the galleries on the opening weekend of April 17-18. Before the opening, 22,000 tickets were already sold.

Although the Japanese will prefer the popular Impressionists, the "Ancient Mediterranean World" is the more exciting show. Such dramatic sculptures as the colossal upper torso of Ramses the Great, nude athletes and the elaborate tombs of important people are dramatically installed in semi-darkness with soft, focused lighting lending mystery. This exhibition alone is worth the trip to Nagoya.

The "Impressionist Landscape," by contrast, is an easy walk in the country, with masterpieces by Renoir, Monet and Van Gogh. There are also several works of pretty women, children at the beach, overcast skies and lush fields. Arranged chronologically and thematically from the Barbizon school of Corot and Millet through Post-Impressionists like Pissarro, the exhibit is a sunny survey.

The history of the new museum, in which Boston provides all the art and Nagoya all the money, is a lesson in perseverance on both sides.

Kiichiro Ito, a prominent banker and chairman of the Nagoya Foundation for the Arts, a group of businessmen and companies that support the project, called his city "a culturally barren area." Now he expects travelers from all over Asia to visit the new museum and the adjacent hotel that cost \$300 million to build. He is hoping for 600,000 tourists the first year, 300,000 each succeeding year.

Malcolm Rogers, the Boston museum's director, admitted that it was the savior in this "sister museum" arrangement. "We were looking for a permanent base in Japan and Japanese friends suggested Nagoya as the site. There was controversy in Nagoya about whether this was a wise way to spend money. We began with the Impressionists because we wanted to start with a big splash."

"Controversy" is an understatement. In 1991, when Japan was still



An Egyptian mummy's mask from the fourth millennium B.C.

economically aglow, the Nagoya Chamber of Commerce signed a letter of intent for a \$50-million contract with the Fine Arts for 20 years. Boston is to provide 44 exhibits during the period: four long-term ones like "Ancient Mediterranean Art" and 40 five-month exhibits like the Impressionist one.

With the economy in a downturn, in 1993 Nagoya complained about the price tag. The Boston museum, which was then in debt with heavy annual deficits, is now solvent. In 1994 Nagoya's taxpayers were angry that the museum would decide what art to send and what not to. But the Japanese curator, Anne Nishimura Morse, said: "We're not holding anything back. If we've got it, we'll send it."

The official contract was signed in 1995 after the Nagoya city government revised the financing between the regional government and local businesses.

The new museum, attached to a high-rise hotel that opened this month, hovers above the entrance plaza like a load of cargo being hoisted aboard ship. It contains exhibit halls on the two upper levels and offices and a shop on the lower floor.

The Fine Arts Museum has a long connection with Japan. In 1877, the zoologist Edward S. Morse acquired 5,000 pieces of pottery during his foray to Japan in search of new forms of marine life. He eventually gave them to the museum, which had opened in 1876. His friend Ernest Fenollosa, who taught philosophy at Tokyo Imperial University, acquired dozens of Buddhist temple paintings. One of his

finds appears in the exhibition: a six-panel screen "European King and Members of His Court," (1601-1614) done in Western-style painting on gold paper, perhaps depicting Philip II of Spain and his courtiers.

William S. Bigelow, a Boston doctor, collected everything: paintings, swords, sculpture, textiles, woodblock prints. He also gave his collections to the museum.

**A**ND WHEN Charles Weld, another Bostonian, brought the Fenollosa paintings into the Fine Arts, its importance as a reservoir of Japanese art was secured. When Kakuza Okakura, a student of Fenollosa's, went to Boston to head the Asiatic Department, he expanded the collection to include Chinese art. The second five-month exhibit, "Okakura Tenshin and the MFA," will bring back to Japan some long-gone treasures. It opens Oct. 23.

Although curators from both museums travel regularly back and forth to decide on subject matter and select the works for exhibitions, the public idea is that the Fine Arts controls the choices. Not so, said the Nagoya/BMFA director, Tadao Ogura: "Both sides make proposals, discuss and agree. If Boston tells us a certain object will need conservation, we either bear the cost or choose an alternative. Boston will agree with us when taste is an issue."

Christine Chapman, an American journalist, lived in Japan for many years.

## Who Owns World Culture?

By Souren Melikian  
International Herald Tribune

**L**ONDON — It is an uncanny experience. One day, you are in New York taking part in an international symposium at Columbia University on the theme of "Who Owns Culture?" and the subject of looting and vandalizing art in its multiple aspects — tearing up manuscripts to sell off the leaves, ripping the revetments off 13th-century mosques and palaces. Two days later, the scene switches to the London sales of so-called Islamic art (from Arab Spain to China), and so much of it looks like an illustration of the former that it feels unreal.

A great deal of the havoc was done decades ago, but the jetsam and flotsam of the cultural shipwreck persists, much of it from the Iranian world, which has the longest continuous history and by far the largest production. The proportion of objects dug up crudely from their underground caches versus proper archaeological excavations is overwhelming, favoring a trail of accompanying fantasies.

In the 1930s, a Metropolitan Museum team hastily conducted excavations in Neyshapur, in eastern Iran. When they stopped in 1940, commerce took over and thousands of ceramics were dug up to be carted off to the Western markets up to the late 1970s.

These 10th-century ceramics often turn up at auction: "Samarqand, Transoxiana," Christie's catalogue proclaimed Monday. Indeed, the 10th-century schools of pottery with calligraphic inscriptions in Neyshapur and Samarqand were close. But hardly any of the Samarqand ceramics found at the turn of the century went to the West. Small details such as color and weight of the body, certain nuances in the calligraphy, the selection of texts, etc., can be recognized. A large, fine bowl of the kind that could be seen in Tehran shops made £10,925 (\$17,500).

Then there were these bowls with grayish-blue motifs or inscriptions on ivory ground, regularly ascribed to "Mesopotamia." A few shards came to light before World War I in Samarra, Iraq, amidst fragments from various parts of the world. By contrast, scores of pieces have been found west, east, north and south in Iran, some in proper excavations, most dug up commercially.

On Monday at Christie's, a bowl with three palm trees, resembling one in Tehran fetched \$6,325. On Tuesday, at Sotheby's, another bowl, better preserved, sold for £14,950.

The distinction of cultural history is nothing, though, compared with the mutilation of monuments. Hardly any of the 13th-century ceramic *mihrabs* — panels with simulated arches that tell Muslims which direction to face when praying in



A page from Khandamir's history, Iran, circa 1590-1600: Shah Ismail at a royal hunt.

a mosque or a mausoleum — have survived intact the attentions of Western collectors. Several have been dismantled and their components sold piecemeal.

The center piece of such a *mihrab*, painted in golden luster with blue lettering in the middle of the 13th century, appeared at Christie's and fetched a gigantic £133,500.

Some bitter irony was attached to that sale. Acquired many years ago at Parke Bernet, the *mihrab* file was part of a collection formed between 1950 and 1985, largely in the West, by Professor Ehsan Yarshater of Columbia University. The great scholar of Persian literature donated it to the New York-based Persian Heritage Foundation to support its scholarly publications program, including the English language Encyclopedia Iranica and a major critical edition of the 10th-century "Book of Kings," Shah-Namah.

The professor, who devoted his life to Persian literature, gathered here and there debris from the thousands of Iranian manuscripts that have been cut up since the turn of the century. At Christie's, 12 leaves from an early 14th-century Koran, clearly copied by one of the greatest calligraphers of all time, went for \$4,600. By sheer coincidence, on Thursday at Sotheby's, another 12 leaves from the same Koran came up. Superbly preserved, these shot up to \$27,600. We may never know the artist's name. It probably appeared at the end of what must have been a 30-volume work.

Greater havoc still has been wrought on manuscripts of Persian romances. Tens of thousands of pages have been torn away from their volumes to be sold individually.

Opening folios with the title page were sought for the sake of the abstract illumination. At Christie's on Monday, a leaf with the beginning of Nezami's "Book of Nobility" (Sharaf-Namah), torn off long ago from a manuscript of the third quarter of the 16th century, sold for £920. On Thursday, at Sotheby's, a leaf of the same period from a manuscript of Nezami's romance "Leyla and Majnun" made £5,520. Are buyers beginning to be less enthusiastic about maimed books? Another 16th-century leaf with part of the preface to the Book of Kings, sold in Paris in 1975 and again in London in 1996, found no taker this time.

Intact volumes and rarity, by contrast, galvanize attendees. The big prize among the manuscripts consigned by Yarshater to Christie's was the third volume of a general history by Khandamir dating from the 1590s. It is the only surviving example of the work known to include paintings. The volume soared to £287,500.

Three days later this was on show at Sotheby's by an equally rare volume from another part of the Islamic world — a Koran from Arab Spain copied at Valencia, "Balansiya," in Arabic, in 1160. Signed by a famous scribe, it is one of only seven comparable manuscripts. At £474,500, it became the most expensive Koran ever auctioned.

But the unique sometimes raises questions, particularly in the field of objects. The sensation of the week was supposed to be a uniquely large oil lamp on stand, 210 centimeters (84 inches) high, from Spain, to which Christie's gave an 11th-century date. It was sold as "the property of a noble European family by descent."

**M**ANY features in this object, which has the reddish color of copper — rather than bronze — are curious. The cock perched at the top, with its crest engraved with a half-crescent is unparalleled, as is the treatment of the birds enclosed in roundels on the underside of the well. The abstract ornament is organized on the main shaft and the domed base in a way that finds no precedent in metalwork from Spain, nor in the Islamic world at large.

Two bidders at least were satisfied enough to run the object up to a breathtaking £995,500. So much in it deviates from the ornamental repertoire known so far from metalwork anywhere in the Islamic world that it is best described as a hugely expensive gamble. Having pored over bronzes for the last three decades, I would not put my money on it. Islam bans gambling anyway.

## Raphael's Studio and Legacy

By Roderick Conway Morris  
International Herald Tribune

**M**ANTUA, Italy — Raphael died in Rome in 1520 at the age of 37, having gathered around him a group of talented young artists who were to guarantee not only that his name lived on, but also that the house style he created would be widely propagated.

The fact that Raphael's workshop came to employ many hands to fulfill the multiple commissions showered on the young prodigy, and that some of these commissions were fulfilled after his death entirely by his collaborators, has made extremely problematic the untangling of who exactly was responsible for originating and carrying out which works from this Renaissance artist's studio.

"Rome and the Classical Style of Raphael: 1515-1527," a show of more than 300 drawings, paintings, tapestries and engravings, is the most ambitious attempt yet to survey in detail this hive of activity.

The setting is the splendid Palazzo Te, designed and frescoed between 1525 and 1535 by Giulio Romano, Raphael's most brilliant pupil and principal heir. When the exhibition closes here on May 30, it will go on to the Albertina gallery in Vienna, where it will run from June 23 until Sept. 5. More than half the material at Palazzo Te comes from the Albertina, whose director, Konrad Oberhuber, has curated the show with his colleague Achim Gnam.

They have taken the opportunity to launch an avalanche of new attributions, reversing many from the last century, and the majority reinstating the master himself as the author. They have also secured an impressive array of loans from other collections, and made new attributions here, too.

The show opens with works from around 1514-1515, when Raphael and his assistants were embarking on the frescoes for the Stanza dell'Incendio in the Vatican and the designs for his cycle of tapestries for the Sistine Chapel — the point when Raphael's new "classical" style, inspired by ancient models, fully emerged. The comparatively short period of intense industry and experiment-

ation during which this new manner was developed and elaborated unfolds in the subsequent sections of the exhibition.

By all accounts Raphael's charisma, generosity and affability made his studio an oasis of sweetness and light, but relations between his assistants did not always afterward remain so cordial. Two

Raphael's drawings for the frescoes.

There are a considerable number of prints throughout the show, notably by Marcantonio Raimondi, Agostino Veneziano, Marco Dente and Ugo da Carpi, who engraved works by Raphael and other members of the studio. These matrices were very important in spreading the circle's style beyond Rome, and a means by which Raphael's own work continued to be reproduced after his death.

This was a period when major advances in the technology of engraving and printing were being made, and an exceptionally gifted practitioner like Raimondi, labored unremittingly to improve and perfect his technique and exploit the possibilities of the medium. Interestingly enough, Giulio Romano was particularly alive to the new technology's potential for the production of erotica, and a series of 16 drawings, expertly engraved by Raimondi for wider distribution, in due course landed him in jail for obscenity.

Giulio departed for Mantua in 1524, where his myriad talents were rewarded by the Gonzaga and he was given free rein in his creation of Palazzo Te, whose walls he was able to decorate unmolested with explicit amorous scenes, thinly veiled as episodes from ancient mythology. To be able to go straight from the special exhibition to see the exuberant extremes to which Giulio Romano ultimately pushed his interpretation of the Raphaelesque style is one of the great pleasures of visiting the show while it is in Mantua.

Less than three years after Giulio Romano's departure from the Eternal City, the Sack of Rome took place at the hands of an army of imperial troops. Marco Dente was killed and another member of the circle died in the plague that followed the devastation. Other artists suffered maltreatment and imprisonment, and were reduced to penury. Several subsequently fled to the hometowns they had left to make their fortunes in Rome, and some took refuge elsewhere.

Ironically, this catastrophe and the school's diaspora further assured the diffusion of Raphael's classical manner throughout not only the peninsula but Europe as well.



Putto by Giulio Romano, Raphael's principal heir.

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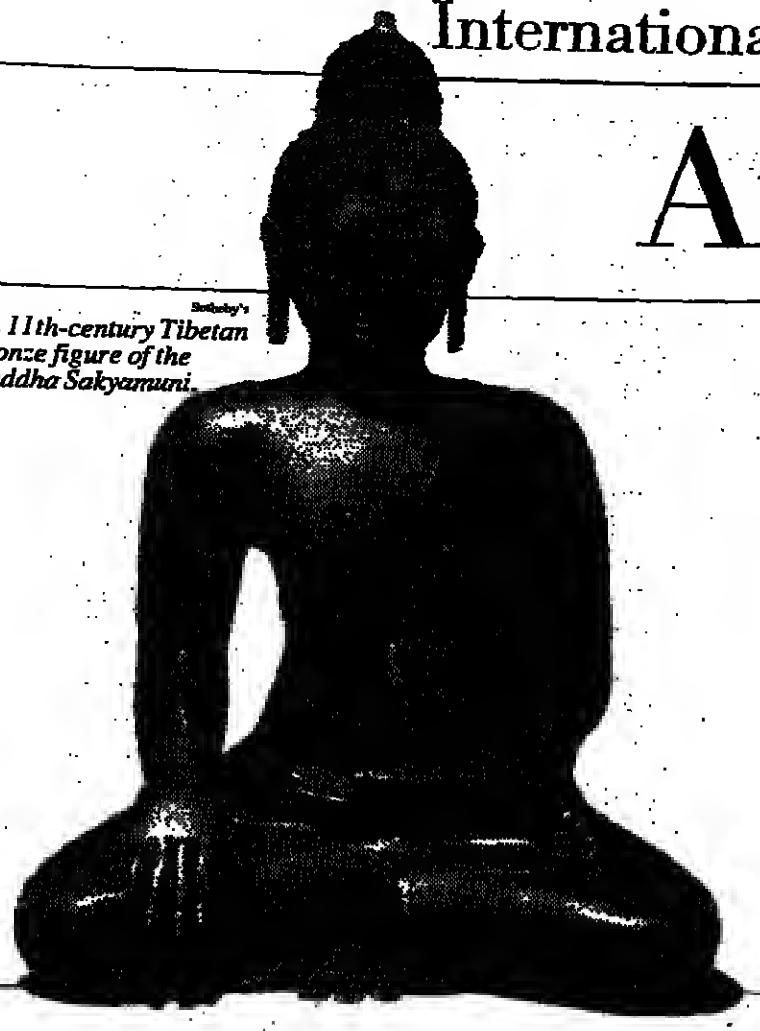


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# Arts & Antiques

No. 36,128

An 11th-century Tibetan bronze figure of the Buddha Sakyamuni.



## Dealers and Scholars In Uneasy Dilemma Should Looted Works Be Published?

By Souren Melikian

**N**EW YORK — How right is it for art historians to publish works of art that may tumble into the art market, greatly enhanced by their seal of approval? The problem becomes acute when the art concerned only begins to be known through pioneering research work carried out by a few specialists who feel they can ill afford to ignore any new material.

It received new urgency on March 25 as Sotheby's held its splendid sale of "Indian and Southeast Asian Art," followed by an equally impressive selling show jointly organized by Sotheby's and Rossi & Rossi of London.

But there is no blanket answer. Consider the case of Ulrich von Schroeder, a Zurich dealer with a lifelong passion for the Buddhist and Hindu bronzes of the Himalayas from Kashmir through Nepal and Tibet to northeast India. Originally a collector who became a dealer, and then a scholar, von Schroeder spent years recording as many Himalayan bronzes as he could find in order to work out a regional classification and a chronology. Eventually, he produced a huge catalogue raisonné, "Indo-Tibetan Bronzes," published in Hong Kong in 1981 by Visual Dharma Publications.

Running to hundreds of plates, mostly made from his own photographs, many of them taken under the most difficult circumstances, the 576-page volume remains the handbook on the subject. As a visual record, it is unmatched. Most pieces were previously unpublished. Inevitably, most were in commercial hands and, at intervals, one or two turn up at auction.

On March 25, a remarkable Nepalese figure of a standing "Amitayus" was sold for \$85,000; it was one of these. If Sotheby's was able to describe it as "Nepalese, 14th century," this was largely thanks to von Schroeder's ground-breaking encyclopedia. Many of the pieces published by him will remain out of sight for years; and some, lost in the Asian turmoil, may never be seen again. Is von Schroeder's undertaking to be deplored? Clearly not. It is to be praised for its contribution to the progress of knowledge, if only because it saved from obliteration the image of some pieces.

Continued on Page 11

## How Cheap Can Old Masters Be?

### Less-Known Artists Can Be Underpriced

By Souren Melikian

**L**ONDON — It happened on Dec. 16, on one of those days when world records tumble and only multimillionaires seem to stand a chance. The setting was Christie's, London, where the most expensive Isaac Soreau ever at auction (£573,500, or \$924,300), for an extremely beautiful still life of the 1620s was followed by a mind-boggling £1 million for an imaginary harbor view by Joseph Vernet in Rome. The entire sale of Old Master pictures added up to £14.8 million. It was a triumph duly echoed in the ringing press release put out by Christie's PR people.

With so much to celebrate, they somehow had little time for an interior scene by the elusive Jacobus Vrel that had also been sold. Is it because so little is known about this Dutch painter, whose earliest dated picture done in 1654 is in the Kunsthistorisches Museum in Vienna and whose verifiable activity stops a mere eight years later? Or was it just the austerity of the subject — a young woman who is sleeping in a four-poster, attended by nuns, with her newborn babe in a cot nearby? Whatever the case, no mention was made of the £49,900 picture.

Nor did the dealer who bought it, Johnny Van Haeften, of London, a leading specialist in Dutch and Flemish painting, convene a press conference to announce that light cleaning had revealed an immaculate paint surface under the grime. The signature, which could only be faintly made out but escaped the attention of the auction house experts, is now distinctly legible, adding one more unquestionable work to an oeuvre that counts fewer than 20 paintings.

A coup, undoubtedly. But not the only one involving Vrel, nor one of a kind reserved for dealers only. On July 10, 1998, a painting of an interior scene that is arguably Vrel's masterpiece was bought at Christie's by one of this century's great collectors, Baron Heinz Heinrich Thyssen von Bornemisza. He got the gem virtually unopposed, for £78,500. Only within the vast field of Old Masters could such a gem be acquired for what is, relatively speaking, a modest outlay.

A mere fraction of that sum may occasionally bring in a perfectly good landscape by some of the lesser 17th-century Dutch painters. Further down in the sale, a poetic view with a Renaissance chateau on the banks of an estuary came up. Clouds roll in the sky allowing a pale sunlight to brighten up the mauish brick facade that shows signs of decay. One is reminded of Van Goyen's Romantic perception of the Dutch countryside. But the panel dated 1646 is signed with initials by Wouter Knijff (1607-1693). Nowadays, the artist's name means little to most, but at £5,175, the buyer hardly took a big chance.

Another landscape by a contemporary of Van Goyen that followed could be bought for a fifth of what a Van Goyen of comparable quality might be worth. Signed (Anthony) [Van der] Croos, the dated panel is a view of Haarlem as it stood in 1653, seen from the southwest, with the River Spaarne running in the foreground along the low fortified walls with its turrets and half bastions. A masterpiece? Hardly, but a very pleasing urban

Continued on Page 11



Painting by Jacobus Vrel of a woman and her child in bedroom.



"Adoration of the Magi," left, a work attributed to Pieter Coecke van Aelst, and "St. Christopher Carrying the Infant," described as a work from "his circle."

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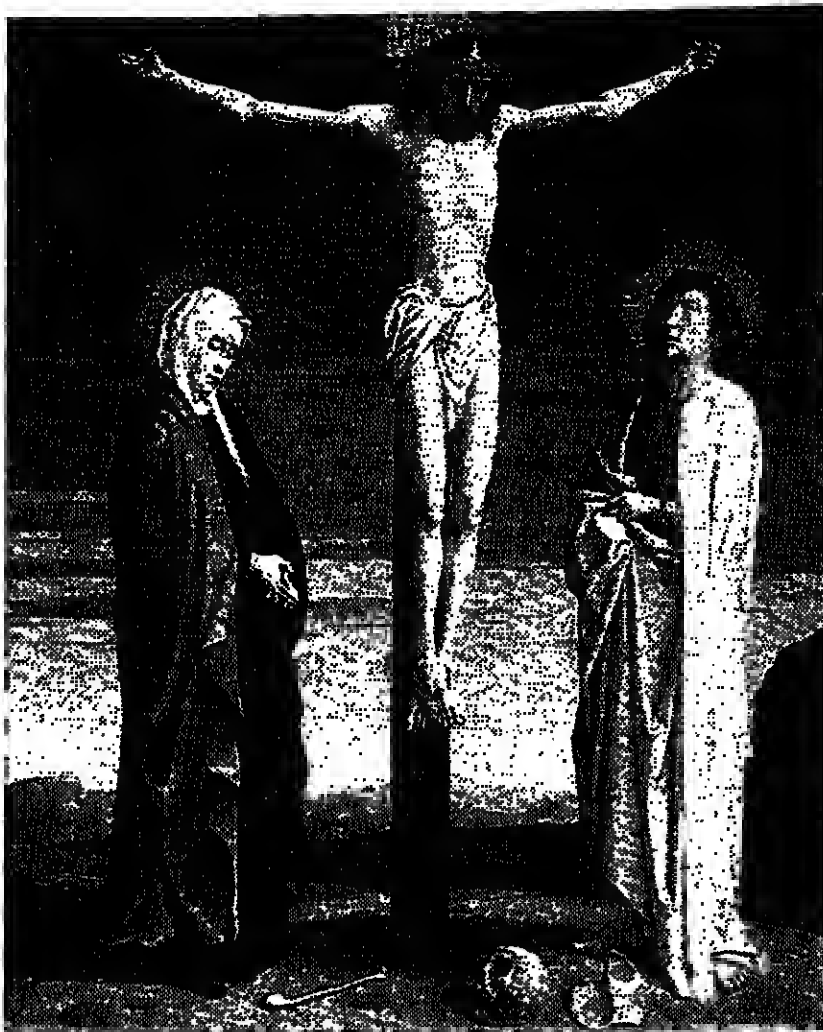


## ARTS &amp; ANTIQUES / A SPECIAL REPORT

## Northern Lights



Rubens's "Lanzicheneco with Lover" and Gerard David's "Crucifixion" at Genoa's Galleria di Palazzo Bianco are among over 10,000 paintings to be catalogued.



## Assessing Italy's Debt to Dutch-Flemish Painters

By Roderick Conway Morris

**F**LORENCE — Almost every museum in Italy, not to mention scores of churches, contain Dutch and Flemish pictures. Cootemplating this fact in general and a previously unlisted Cornelis Verspronck portrait in an Italian collection in particular, the young Dutch art historian Bert Meijer first formed the idea of one day compiling a comprehensive catalogue of Low Countries paintings to be found throughout the country.

Thirty years later, Meijer, director of the Dutch University Institute for Art History in Florence, is finally seeing his youthful dream come to fruition in the monumental illustrated "Repertory of Dutch and Flemish Paintings in Italian Public Collections," a work that will be an invaluable tool in advancing our understanding of the complex interchange between the Italian and Low Countries schools, which between them dominated the development of European painting

for centuries. The first handsomely produced volume of the "Repertory" is devoted to Liguria and has now been published in a series that will eventually catalogue more than 10,000 pictures in more than a dozen tomes. It is sooo to be followed by volumes on Lombardy, Piedmont and the Veneto-Friuli region.

Quite a number of the paintings are in undiscovered holdings of museums and thus are being published for the first time. The "Repertory" primarily lists works in museums and churches, although frescoes in private houses and villas — these being, in theory at least, immovable according to Italian law — as well as holdings in semi-public institutions, such as banks, are also registered.

To embrace the thousands of paintings in private hands would have been impractical since many private owners do not wish to advertise their treasures. Nonetheless, since it has become known that the project is under way, a number of individuals have contacted the Dutch Institute for help in identifying their pictures. This, said Meijer, has created a burden of additional work. On the other hand, it has alerted him and his team to the existence of previously unknown works, some of which they hope to include in special shows to coincide with the publication of future volumes. The first of these exhibitions is scheduled to take place in Lombardy in 2001.

Flemish paintings began to arrive in Italy in significant numbers in the first half of the 15th century, through Italian bankers and merchants operating in cities such as Bruges and Ghent," said Meijer. "One of the first artists actually to come to Italy was Rogier van der Weyden, who was here in the Holy Year of 1450."

"A principal reason why these pictures were so much in demand was that they were oils, which gave them a brilliance

and freshness unseen before in Italy. The Italians were probably quite shocked to discover that there were painters painting just as well as they were and using a technique that they knew nothing about," Meijer said.

"And the intense level of interest is shown by the fact that nearly all the sources we have about Flemish art in the 15th century are in Italian, and that even 15 or 20 years after Van Eyck's death, he was still being described here as the greatest painter of the century."

"Oil painting was a real invention and a craft secret that northern painters were not going to part with easily. There was evidently a certain amount of industrial espionage directed at finding out how it was done, and even decades after Van Eyck, the Duke of Urbino was looking for a native Flemish oil painter to be sure of finding an artist who could provide him with the kind of pictures he wanted."

In the 16th century, Dutch and Flemish painters came to Italy to study ancient art and the Italian masters, especially Raphael and Michelangelo, and to ply their trade. Some came on visits of varying lengths, but others stayed for good.

"In the second half of the 16th century, there was hardly an artistic center in Italy that didn't have one or more Dutch or Flemish painters in permanent residence. And during this time, the Northern and Italian schools became closer stylistically than they had ever been or would ever be again," said Meijer.

**O**NE OF the spinoffs of the "Repertory" has been research on northern prints in Italian collections, which will be the subject of further publications.

"For a long time, Antwerp was the most internationally oriented of all print production centers, and the makers and sellers there had a network of agents all over Europe to distribute them," said Meijer. "Many found their way to Italy, where they were widely copied. Lucas van Leyden, for example, never came here but was extremely well known through his prints. The influence of northern prints was very widespread. And even Caravaggio drew on them for iconographic and genre elements."

There is no historical cutoff date for the "Repertory," which will list Dutch and Flemish works up to the present day, a decision that has brought to light some interesting items from later periods.

One of the curiosities to appear in the "Liguria" volume is a bizarre seascap scene lined with famous monuments, from the Duomo in Florence and St. Peter's in Rome to the Leaning Tower of Pisa and St. Mark's in Venice, by the 19th-century artist Tietz van Elven. Meijer believes that it is a fantastical celebration of the reunification of Italy.

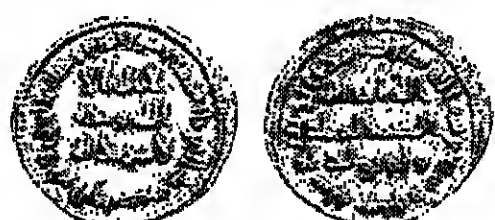
Meanwhile, the Cornelis Verspronck portrait that was instrumental in inspiring the entire project has since disappeared. And some pictures that had been confiscated by the Italian state for tax reasons and deposited in the National Gallery of Modern Art in Rome, making them eligible, as public property, to be listed in the forthcoming volume for the region, have had to be dropped.

"We moved a bit too fast there," said Meijer. "Because the verdict has since been reversed and the pictures returned to private ownership. So we've had to leave them out."

**RODERICK CONWAY MORRIS** writes for the International Herald Tribune on art and culture.

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## The Corporate Art Giveaway

### Donations Mix Philanthropy With Publicity and Tax Breaks

By Dana Micucci

**N**EW YORK — Ever since the mid-19th century, when America's railway companies commissioned artists to portray the expanding western frontier, American corporations have been building significant art collections in an effort to enhance both the workplace and their public image. Corporate art collections also serve philanthropic purposes when shared with a wider audience through museum exhibitions, loans and donations.

While some corporations like International Business Machines Corp., CBS Corp., USX-U.S. Steel Group, and Reader's Digest Association Inc. (whose collection of Impressionist and modern art brought \$86.6 million at Sotheby's last November) have sanctioned off their collections in recent years, whether because of spatial limitations or specific financial needs, others have donned the mantle of good corporate citizenship and given their art away.

Foremost among the latter is the Chicago-based Sara Lee Corp. The company made headlines last spring when it announced that it would donate paintings and sculptures from its collection of Impressionist and modern art to museums throughout the world. It has recently expanded the gift and doubled the number of beneficiaries. Fifty-two works, worth more than \$100 million, will go to 25 U.S. museums and 15 museums in Canada, Europe, Latin America, Asia, and Australia.

Sara Lee is believed by art experts to be the first U.S. company to donate a collection of works of this caliber and popular appeal to museums around the world. The recipients, who chose the works they wanted, range from the Metropolitan Museum of Art in New York, the Hermitage in St. Petersburg, and the National Gallery in London to the smaller Musée des Beaux-Arts in Lyon and the Dixon Gallery and Gardens in Memphis, Tennessee. They were selected for their interest in French art, as well as for their location in areas where the company has business operations.

The collection includes works by Camille Pissarro, Edgar Degas, Claude Monet, Pierre Bonnard, Pablo Picasso, Marc Chagall and Henri Matisse. It is being shown in an exhibition, "Monet to Moore: The Millennium Gift of Sara Lee Corporation," through May 30 at Singapore Art Museum in Singapore. Sara Lee's headquarters in Asia.

The exhibition will then proceed to the National Gallery of Australia in Canberra, the North Carolina Museum of Art in Raleigh, the Portland Art Museum, Portland, Oregon, and the Art Institute of Chicago, which will receive the largest gift, consisting of 12 works by Degas, Matisse, Georges Braque, Paul Gauguin and others. "It's extremely rare for a corporation to donate a collection of this scale, quality and historical importance to public art museums," said James N. Wood, president and director of the Art Institute of Chicago.

**S**ARA Lee's gift not only enhances its corporate image but also enables it to take a significant tax deduction. The decision to donate rather than sell the art was made at a modest cost to the company, according to John H. Bryan, chairman and chief executive officer of Sara Lee, who did not give an exact figure.

"Visionary corporate leaders like John Bryan feel a great responsibility to their art collections and to the arts in general," said Judith A. Jedicke, president of the Business Committee for the Arts, a nonprofit group in New York. "They want to preserve these works for future generations rather than sell them at auction, where they often end up in private hands."

Earlier this year, the Minneapolis-based Norwest Corp., a financial services company which recently merged with Wells Fargo, donated to the Minneapolis Institute of Arts a modern design collection of 475 works in the decorative, applied and graphic arts. The works date from 1880 to 1940 and are valued at more than \$5 million. The gift is the largest corporate art donation received by the Institute.

"The collection had become very large and needed more space. Since we had put so much effort into building it, we wanted to keep it intact and make it more accessible to the public. We didn't donate these works to get a tax break. We wanted to make a lasting contribution to the community," said David Ryan, director of Norwest's arts program.

The Afro-American Cultural Center in Charlotte, North Carolina, received a major corporate gift last July from the NationsBank Foundation (now known as the Bank of America Foundation due to the merging of NationsBank and BankAmerica).

The Foundation purchased one of the largest private U.S. collections of 20th-century African-American art from the New York collectors John and Vivian Hewitt and immediately donated it to the Afro-American Cultural Center. The Foundation called the gift a "gesture of corporate citizenship." The collection's 58 paintings and works on paper by Romare Bearden, Hale Woodruff, Elizabeth Catlett and others will be exhibited at cultural centers nationwide for the next three years.

**DANA MICUCCI** is a free-lance journalist based in New York.



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## ARTS &amp; ANTIQUES / A SPECIAL REPORT

# One Artist's Novel Path

## Paris-Based Animalier Avoids Commercial Scene

By Souren Melikian

PARIS — Ann Murchison represents the hidden facet of contemporary art, the one that barely comes out into the open and gets no publicity. How do you approach the art of someone who does not claim to belong to a movement with some slick name and takes no interest in — or labels of any kind?

Not that the Paris-based British artist works in an ill-defined manner. Hers is incisively assertive and closely focused. Murchison is an animalier artist. She sketches in pencil or black chalk, sculpts in French plaster, has casts made from her plaster models and does silver plaques. She works slowly, in a deeply reflective manner, because she has the misfortune that many would call a blessing of not having to make a living.

Her curious story leaves some hope that contemporary art might at all get out of the black hole in which it finds itself, locked up in doctrinaire theories ever less convincing, ever more conducive to visual pointlessness.

She was born in 1942 at Otford in Surrey into a Scottish family to whom drawing came as a natural form of self-expression. The earliest influences in her life were "the drawing rocks," as they called the pebbles on the beach that spreads in front of the family house at Lochmaddy, on the island of North Uist in the Hebrides. There she sprawled over the rocks from early childhood, as generations in her family had done before, sketching people, birds, or the northern sea.

Her years at Newcastle University very nearly smothered forever the desire she then formed of becoming an artist. Victor Pasmore, the master of painting, had just introduced the Bauhaus teaching method.

There was no sketching from life. The students spent their time tracing geometric volumes and straight lines. "It blocked a lot of us for a long time." For Murchison, an artistic career was no longer in the cards.

In 1967, she married a Harvard-educated law-



Painting of a galloping steed in white gouache by Ann Murchison, who specializes in works with animals as subjects. This work was inspired by a prehistoric image of a white horse that is carved on a rock face in southern England.

yer, Van Reeves, and two years later they left for New York, his hometown.

America was a powerful influence. It left no specific imprint on her, but liberated her from her inhibitions, particularly the feminist movement. The Bauhaus indoctrination she had been subjected to fell off her shoulders and she rediscovered figurative art. In 1970, the couple went back to Paris.

One day Murchison set out to make a doll for her daughter, who was playing in a "Midsummer Night's Dream" at school, and devised a horse's head from padded fabric — an amusing, expressive figure full of fun. That made her look at horses again. But the catalytic moment came during a trip to England in 1984, when she visited a favorite spot of hers, the prehistoric "White Horse" at Uffington in Wiltshire. As she gazed at the silhouette carved on a broad rock face in the lean linear style of prehistoric Europe, Murchison felt the desire to paint. She took a diaphanous greyish brown veil on which she painted a spindly galloping steed in white gouache, light and unreal. It seems to float through space like an apparition in a dream.

She has been gazing at animals ever since. She draws wherever she comes across animals that inspire her. These days it is dogs. She catches postures and expressions in brisk, quizzical strokes. It may be a dog lying half asleep, or a whole pack of hounds whose growling can almost be heard. Where her approach becomes curious is that these very figural, often delightful "working sketches" become the raw material that leads to a totally modern art with a strongly idiosyncratic style.

A recent bronze represents a gangly hound trotting. The craggy rugged body, full of irregular holes, retains distant overtones of Surrealism, and a faint reminiscence of Alberto Giacometti's way

of handling bronze as well.

Her small work in silver is remarkable. Not by design, Murchison has effectively revived the Renaissance tradition of animals cast in low relief on plaques in her thoroughly modern style. A leaping hound, part in low relief and part engraved, gives the impression of some creature emerging from the primeval clay.

Another very pure silhouette of a hound snuffing has the flowing lines of a prehistoric mural — one is reminded of the Altamira murals. The silhouette very slightly raised is enhanced by the sheen of the outline on a nearly mat ground.

One of her latest works is arguably her masterpiece. On a square bronze plaque richly tooled in dark reddish browns and blacks, with shimmering variations to the grainy surface, two small dogs who could have been surprised having a nap in the shade of a summer afternoon in the grass are appliquéd in silver. With their rough touch, they melt into the rugged ground, delicately straddling the frontier between figuration and abstraction.

While Murchison took part in the "Open Doors Operation" two weeks ago in Montparnasse, where the Reeveses have their house, she does not exactly thrust herself upon public attention. The artist has only sent her work to a group exhibition once, last autumn, and has no plans to sell. "I would not know how to price these things."

Right now she has several unfinished "things." She constantly reworks her sculptures, over really satisfied that she has got it right.

Cast in the mold of British upper-class good manners and reticence, with the merest touch of impishness, she sails through her work in isolation, vividly aware of what goes on but blissfully indifferent to the verbiage that is so much part of the artistic scene. A new way out of the contemporary art impasse may be opening up.

# Underpriced Masters

Continued from Page 9

landscape worth every penny of the £28,900 it cost.

When it comes to underpriced quality pictures, though, nothing gets anywhere near Flemish Primitives that do not lend themselves to a clear-cut attribution according to the lights of the art pontiffs of the day.

Lot 122 at Christie's was a panel painted with an Annunciation on one side and a Saint Christopher trudging across some dried-up brook on the other. The Annunciation had the precise daintiness and even the fresh colors of a miniature enlarged to the size of a full-fledged picture 90.2 centimeters (35.08 inches) high. Mary is kneeling in an anteroom and holding a prayer book open on a pulpit nearby with one hand while turning her head to look at Gabriel. Behind the Virgin, an arched doorway leads into a bedroom with a four-poster. The composition is highly structured and close attention is paid to architectural details such as the moldings of the cornice at the top of the wall.

On the back, Saint Christopher is curiously lodged in a trompe l'oeil niche that is very carefully rendered. Such a manner is reminiscent of Pieter Coecke van Aelst, who is described by a 16th-century painter and critic as "an architect and painter." Entered as work from the "Circle of Pieter Coecke van Aelst," which in plain English means "contemporary with and only vaguely resembling the artist's work," the panel, probably the wing of some altarpiece, could be had for £23,000.

Next came a more fascinating quiz, an "Adoration of the Magi," which Christie's catalogued as "attributed to Pieter Coecke van Aelst." In auction house jargon, this translates as "could conceivably be by the artist, but probably is not." The panel, with a shaped top and 104.8 centimeters high, indeed presents some similarities in mirror reverse with the master's "Adoration of the Magi" in a church at Oldenzaal.

Yet it is clearly more than just an indifferent variant. Mary's face is strikingly beautiful. The elderly man holding up a bronze casket who served as a model for one of the Magi is in itself a masterly portrait. Not least, the architectural setting with its very Renaissance pseudo-Ancient Roman monument background is very well done — a roundel with low relief figures is quite remarkable. If there is one obvious weakness, it is the gilt bronze scepter laid across a ledge. The painter here struggled with the perspective.

Coecke van Aelst's work or not? Mary's face may well be, and also the Magian king. A very detailed study would be required to determine how much of the rest is likely to be studio work, as was common practice in late Renaissance workshops. If the panel was spurned despite a moderate £30,000 to £50,000 estimate, and was bought in at

£13,000 without any bids from the room, this is first due to the widespread dislike of religious subjects in our positivist society, secondly the result of the current obsession with famous names, and, last but not least, a consequence of the difficulty that so many of the new contenders experience in recognizing beauty.

This could be verified the day after, at Sotheby's, where the Old Masters sale was also extremely successful, though lighter in substance. It included a rare masterpiece by Jan Tilens, large (75 by 125 centimeters), in good condition, and fully signed "J. Tilens.ve."

The imaginary landscape, with improbable Renaissance ruins meant to stand for an Ancient Roman city, was bathed in an unreal glowing light, with bluish clouds gathering over the scenery in the background. Exhibited several times in major shows dealing with Dutch landscape in the 17th century, the panel had graced a famous Dutch collection. It made only £34,500.

Of the several reasons that can be put forward for the low pricing, three stand out. Few buyers nowadays relate to late Renaissance aesthetics. A second reason is that those who want to give themselves a crash course in Impressionism or in Picasso's art only need to travel to Paris (the Musée d'Orsay; the Musée Picasso), or New York (the Met; the Guggenheim) and grab in addition half a dozen art books to cover a good deal of basic ground. For Tilens and the likes of him, years of travel and museum visits through Belgium and the Netherlands would be required, supplemented by numerous visits to auction houses and dealers.

A third reason accounting for the modest pricing of Tilens's masterpiece is the obsession of our time with names. Who has heard of Tilens outside specialist circles? And, if the name cannot be drummed up, no one takes any notice, even if the aesthetics of the work have an immediate appeal.

In Sotheby's sale, two landscapes signed by Simon Denis were respectively dated 1791 and 1792. With their dramatic use of sunset light, these rank among the earliest forerunners of the 19th-century Romantic approach to nature. Extremely well-painted, unpublished, the pair cost its inspired buyer a mere £47,700. But to measure their innovative quality implies great familiarity with Romantic landscape painting in the first half of the 19th century.

In short, to go after any but the most famous masters presupposes connoisseurship, a commodity in short supply these days. And that is why Old Masters remain, and will continue to be, so much cheaper than Impressionist and Modern Masters.

Souren Melikian is art editor of the International Herald Tribune.

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# Dealers and Scholars in Uneasy Dilemma

Continued from Page 9

There are more ambiguous cases. Works of art that get paraded in a museum show as part of a private collection only to turn up on the market a year or two later raise more delicate questions. This is what happened concerning an outstanding gilt copper offering bowl from Nepal, seen in 1997 at the Art Institute of Chicago, in a show curated by Prapadiya Pal and called "A Collecting Odyssey: Indian, Himalayan, and Southeast Asian Art from the James and Marilyn Alsdorf Collection."

PAL dates the offering bowl to the "18/19th century." If confirmed, this would go to show that a great art survived into very recent times in Nepal — the smiling head of a crowned Buddha perched on the rim between two grinning skulls is astonishingly reminiscent of some much earlier Khmer sculpture in faraway Cambodia. The object is magnificent and the attendance ran it up to \$18,400. In so doing, it partly responded to its status glorified by the Chicago show. Was it wrong to publish it? I find it hard to argue so, because the vessel is a significant addition to our visual knowledge of Nepalese art. But perhaps museums should take greater care when deciding which pieces in private hands they propose to display, thus multiplying their potential commercial value.

A more serious issue is raised when whole groups of

objects are published in a scholarly context and sold shortly after.

Sotheby's March 25 auction included five of the bronzes displayed in the great art show called "Wisdom and Compassion, The Sacred Art of Tibet," held at the Asian Art Museum in San Francisco. All five are illustrated in the catalogue written by two scholars, Marilyn M. Rhee and Robert A.F. Thurman. Another eight works seen in that sale are reproduced in the expanded version of the exhibition catalogue published in 1996.

Both catalogues are major contributions to the history of Tibetan art, distributed by one of the world's leading art publishing houses, Harry N. Abrams. Thurman, a professor of Indo-Tibetan Buddhist Studies in the Department of Religion at Columbia University, also heads the American Institute of Buddhist Studies. He is described by Harry N. Abrams as an ordained Buddhist layman. "No one can doubt his dedication to Tibetan Buddhism. Rhee enjoys the same reputation. Both obviously published the objects on their own merits. Add that some failed to sell. The standing figure of the late 11th or early 12th century found no taker.

Nor did a large silver inlaid Avalokitesvara, important enough to have been included first in the 1996 expanded version of "The Sacred Art of Tibet," and, a year later, in the collective book "Tibetan Art, Towards the Definition of a Style," edited by Jane Casey Singer and Philip Denwood.

These failures prove that publication, however distinguished, is no passport to commercial success. That, however, does not remove a certain ambiguity that came out more visibly still in the selling show "Sacred Symbols: The Ritual Art of Tibet," inaugurated the week after in Sotheby's art gallery at 41 East 57th Street in New York.

This was a joint venture between Rossi & Rossi of London and Sotheby's. As a matter of course, Fabio Rossi turned to Thurman and the art writer David Weldon. Thurman wrote an introduction concerning the metaphysical aspects of Tibetan art.

The exhibition book yet again expands our knowledge. The majority of the pieces taken out of Tibet in recent years are unpublished.

A whole group of iron objects with gold and silver overlay considered to date from the 14th and 15th century is a striking revelation. Nothing resembling the tripod stand for a bowl, or a gold hook had yet been seen in the West. We should feel grateful.

Alas, it is impossible not to experience deep unease at the thought of the devastation of the land and of its monasteries. Without these dire events, the Tibetan objects would not have traveled across continents.

In their vibrant preface, Carlito Rochell of Sotheby's and Fabio Rossi thank the two scholars, as well they may. Their contribution means that in this difficult field, the commentary is founded in knowledge. But perhaps we should also heed the words of Chris-

tian Haskett, a Tibetologist, who assisted Thurman in writing the catalogue of "Wisdom and Compassion."

In the presentation he made on Tibet in the international symposium "Who owns culture?" that was held last week at the Casa Italiana, Columbia University, Haskett warned that commerce does not

"save" ritual objects, as was piously argued by some. There were reasons to believe that awareness of the high prices commanded by Tibetan art in the Western markets led organized gangs to target and loot specific objects. Where danger of this kind looms, anything that might appear to sanctify a posteriori the misdeed, including publication of objects that could fall under the shadow of such suspicion, seems ill advised.

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## AT&T Bids For Another Cable Firm

Phone Company Offers  
\$58 Billion for MediaOne

By Geraldine Fabrikant  
and Seth Schiesel  
New York Times Service

NEW YORK — Bidding to become the largest cable television provider in the United States, AT&T Corp. made an unsolicited offer to acquire MediaOne Group Inc. for about \$58 billion in cash and stock.

AT&T is trying to break up a deal announced last month in which MediaOne agreed to be acquired by Comcast Corp. for \$53 billion in stock. AT&T has already won the support of Amos Hostetter, whose family is MediaOne's biggest shareholder, with about 13 percent of the company.

If AT&T, the biggest U.S. long-distance telephone carrier, succeeds in its bid for MediaOne, it will have grown from no presence in the cable television market to the largest cable company in the United States in less than a year. Last month, AT&T completed its \$31.8 billion acquisition of Tele-Communications Inc., the No. 2 cable company.

With TCI, AT&T now offers cable service in 10 of the 20 biggest U.S. markets. If AT&T acquires MediaOne, almost three-quarters of the combined company's subscribers will be in 15 of the top 20 markets.

AT&T's offer, which came after the market closed Thursday, represented a 17 percent premium over the current value of Comcast's offer and a 26 percent premium to MediaOne's Thursday closing price of \$69.50.

MediaOne shares finished Friday at \$77.50, up \$8. Comcast stock fell 37.50 cents to \$65.8125, while AT&T shares fell \$3.50 to \$53.25.

Overall, a combined AT&T-MediaOne would serve about 16 million cable television subscribers and would be in markets covering about 27 percent of roughly 100 million homes in the United States. The company would also be poised to serve millions of additional homes through affiliates and partners. That raised concerns among some consumer advocates that such a behemoth could stifle competition.

Gene Kimmelman, co-director of the Washington office of Consumers Union, a consumer advocacy group, said his organization would challenge the deal as a violation of both antitrust laws and rules that are meant to limit concentration in the cable industry — rules that have been stayed temporarily by the Federal Communications Commission.

"This amasses massive power in the hands of one cable company," Mr. Kimmelman said.

Since C. Michael Armstrong took over as chairman of AT&T in 1997, he has been trying to build a comprehensive portfolio of voice, video and communications services that AT&T can offer to consumers in a single bundle. Just as important, he has been looking for ways for AT&T to reestablish the direct links into the homes of U.S. consumers that the company lost when it was forced to shed its local telephone business in 1984.

Mr. Armstrong said Friday that a purchase of MediaOne would lift AT&T's sales 10 percent to 12 percent and cash flow as much as 20 percent, according to Bloomberg News.

To help pay for its offer, AT&T plans to have \$30 billion in financing in place by the end of the month, its largest short-term financing deal yet, an AT&T spokeswoman said.

"AT&T believes it can have a dominant role in the consumer market," said Brian Adamik, an analyst for Yankee Group, a technology consulting firm in Boston. "We are moving to a duopoly in the consumer market between AT&T and the Baby Bells."

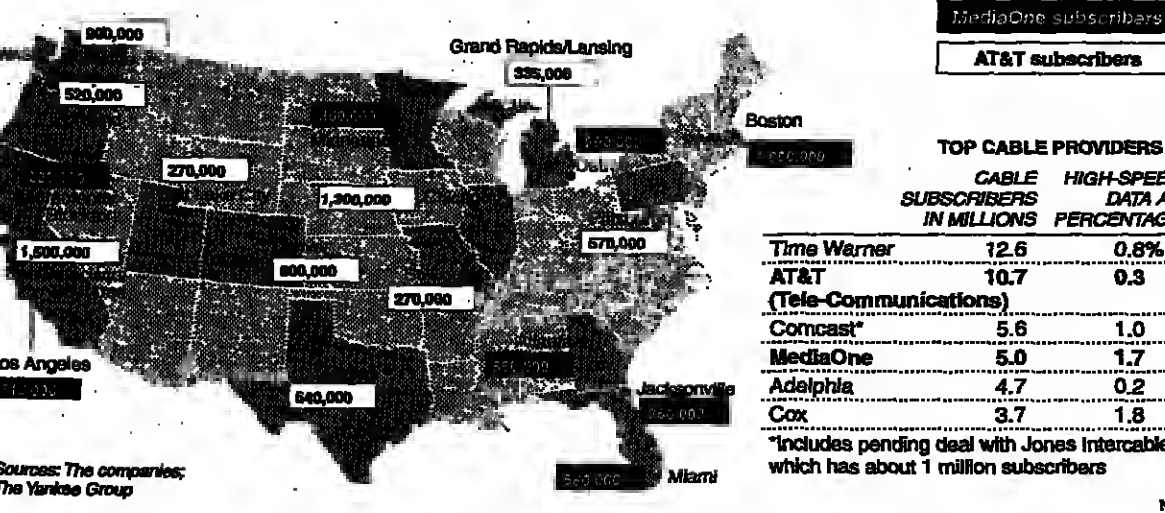
If AT&T's bid for MediaOne succeeds, it would be a setback for Comcast, which has been competing with the telephone companies to offer high-speed access to the Internet. As the only two industries that have communications cables to almost every house and business in the United States, cable and telephone companies have been positioning themselves to grab a share of each other's businesses.

Under the terms of the deal, AT&T would exchange \$30.85 in cash and 0.95 shares of AT&T stock, valued at \$39.50 a share, for a total of \$87.375 for each of MediaOne's roughly 660 million shares.

### Networking Networks

AT&T has offered \$58 billion to buy the fourth largest U.S. cable provider, MediaOne Group. MediaOne has already agreed to be bought by Comcast for \$53 billion. If AT&T is successful, it will add MediaOne's 4.9

million subscribers to the 10.7 million it acquired with the purchase of Tele-Communications Inc., making AT&T the biggest cable provider in America.



## Greenspan Supports Spread of Dollar

Nations That Adopt It Also Need Sound Economic Policies, He Says

By Richard W. Stevenson  
New York Times Service

WASHINGTON — Alan Greenspan, the Federal Reserve Board chairman, has joined the Clinton administration in saying the United States would be open to proposals from other countries that want to adopt the dollar as their national currency.

But in testimony Thursday before a congressional committee, Mr. Greenspan and Lawrence Summers, deputy secretary of the Treasury, warned countries that might be contemplating such a step that monetary union with the United States could substitute for pursuing policies to strengthen their economies and financial systems. They also emphasized that the United States would not change its monetary policy to deal with economic problems in other nations or serve as a lender of last resort to their banks.

A number of countries have been considering abandoning their currencies for the dollar, the accepted international benchmark of financial stability, as a way of reducing interest rates, inflation and exchange-rate volatility.

The discussions have been most serious in Argentina, which has held informal talks about the possibility with the Treasury and the Fed. The issue also is being debated openly in Mexico and, to a lesser extent, in Canada.

The idea has received increasing attention following the creation of the European single currency, a step that is, in

the long run, expected to increase the European Union's prospects for growth and competitiveness. Some economists say making the dollar the common currency of the Americas could expand trade significantly and help the United States by creating more stable and vibrant markets for its goods among its neighbors.

Mr. Summers said the administration's position on such linkages would depend on the country and circumstances. "But it is absolutely not our intent to close the door," he said, "on the consideration of this issue by countries who have that interest."

Several countries, including Panama, already use the dollar as their legal tender, and the dollar is used widely on an unofficial basis in many other nations, including Russia, the Philippines and Bolivia. But because of the stakes involved, the big countries weighing the possibility of switching to dollars have signaled that they would take such a step only in coordination with the United States. Among other things, countries would need large quantities of cash from the United States during any changeover.

Speaking before two subcommittees of the Senate Banking Committee, Mr. Greenspan said that some small countries with generally sound economic policies had found themselves buffeted by global forces in recent years. Those countries, he said, probably would have fared better had

See DOLLAR, Page 14

## Grim Year for Nomura Ends in a Record Loss

Daiwa and Nikko Also Report Dire Results

Compiled by Our Staff From Dispatches

TOKYO — Japan's biggest brokerages on Friday posted losses for the year through March, led by a record loss at Nomura Securities Co. on overseas bond trading and aid to a lending affiliate.

Nomura's loss was its second in three years.

Daiwa Securities Co. and Nikko Securities Co. also reported losses as they too wrote off bad loans at financing affiliates and shut down most of their overseas operations.

The big three brokers said they had put the worst of their problems behind them and were preparing to meet new challenges in the coming year. As Japan moves forward with its "Big Bang" financial reforms, the brokers will be squeezed by foreign rivals and large Japanese banks.

"We're pretty much done with restructuring measures," said Kenichi Watanabe, a director at Nomura. Now, the brokerage is focusing on expanding its retail business at home, he said.

Nomura posted a group net loss of 397.5 billion yen (\$3.31 billion) as the top Japanese brokerage was hit by a \$1.2 billion loss on American mortgage and Russian government bonds in the first half. It also took a 348 billion yen charge to bail out the mortgage lender Nomura Finance Co.

Nomura's result was a steep fall from the 76.3 billion yen net profit it reported for the previous year.

Nikko, the No. 3 Japanese brokerage, posted a group net loss of 177.5 billion yen, more than double its loss a year earlier, while Daiwa, the No. 2 brokerage, posted a group net loss of 127.9 billion yen, against the \$3.7 billion yen it recorded for the previous year.

Nomura's domestic performance provided one bright spot. The company made a 45 billion yen pretax profit on its domestic operations, up 11 percent from a year earlier. The gain came thanks to a nearly 22 percent rally in the TOPIX index of companies on the first-section of the Tokyo Stock Exchange for the three months through March.

Other brokerages also were helped by

the rally. Daiwa posted a 16.6 billion yen pretax profit on its domestic business, more than triple the result in the previous year. Nikko's pretax profit loss narrowed to 7.6 billion yen from 38.1 billion yen the year before.

Mr. Watanabe said that in the current year, Nomura will cut back the amount of funds it commits to overseas trading. Nomura's total trading positions stood at \$5.9 billion at the end of March, he said.

Nikko has embarked on broad restructuring measures in the last year, liquidating its troubled real estate unit, Nikko Fudosan Co., and extending emergency loans to a troubled mortgage affiliate.

The broker has also closed branches in Thailand, Malaysia and Hong Kong.

In the face of tough market pressure, Nikko has broken its links with traditional Japanese business allies. Last June, it signed a major deal with the finance giant Citigroup Inc., in which the American

company took a 25 percent stake in Nikko for \$1.6 billion. The two companies have also set up a joint wholesale securities firm.

Analysts said the losses were necessary as the brokerages deal with troubled affiliates and prepare for a more competitive future.

"Last year was a year for the houses to rid themselves of long-held negative factors," said Minoru Murata, deputy general manager of Japan Rating & Investment Information. "They made major progress, but it's too early to say their old problems are over."

The recovery in Japanese stock was a promising sign for the big brokerages, analysts said.

"If the stock market remains active, that would be positive for brokerages," Mr. Murata said. "But what's more important is to ensure stable revenue sources that would not be influenced by day-to-day market activity."

Nomura's stock rose 9 yen, or 0.7 percent, to 1,256. It announced its earnings after the market closed. Nikko gained 20 yen, or 3 percent, to 675, while Daiwa jumped 36 yen, or 5 percent, to 740.

(Bloomberg, AFP, Reuters)

'Last year was a year for the houses to rid themselves of long-held negative factors.'

## In an Internet Move, Intel Plans Global Data 'Farms'

By Steve Lohr  
New York Times Service

NEW YORK — Intel Corp., the leading maker of microchips, is planning a big move into the Internet services business by building and running data centers around the world.

The move is a striking departure for the big microprocessor producer, known for pumping out millions of silicon Pentium chips that serve as the electronic brains of most personal computers.

Analysts say the Intel announcement reflects just how far the company is willing to go in seeking new ways to grow as it recognizes the Internet as both a challenge and an opportunity.

"This is a stretch, but you have to give Intel's management credit for recognizing that the world is rapidly changing around them and trying to do something about it," said Drew Peck, a managing director of S.G. Cowen Securities Corp.

Sprawling installations filled with powerful small computers, known as server farms, are used to handle electronic commerce and host World Wide Web sites for other companies. Intel presented its plans for the data farms at a meeting with securities analysts Thursday in New York.

Although Intel's profits have held up well so far, many analysts believe that the rise of the Internet will inevitably erode its margins. Consumers are increasingly expected to use simpler, lower-cost devices — from handheld machines to television set-top boxes — to access the Internet.

The proliferation of these so-called Internet appliances, they note, will not replace personal computers by any means. But the Internet will fuel more diverse computing technologies and other access devices.

This in turn will undermine the profits of the technology standard-bearers in the

PC-centric era, that is, Intel and Microsoft Corp., whose Windows operating system runs most PCs.

"Intel has to look for other opportunities for future growth, and server farms could be a reasonably good hybrid," Mr. Peck said.

Other analysts are quite skeptical. They note that Intel is a late entrant into the fast-growing market for server farms, trailing established computer services powerhouses like International Business Machines Corp. and Web-hosting specialists like Exodus Communications Inc.

These analysts also doubt that Intel's skills as a chipmaker give it any edge in running huge data centers.

"This is not a business for Intel to be in," said Howard Anderson, managing director of Yankee Group Research Inc., a consulting and research company in Boston.

Intel insists that the server-farm plan fits neatly with its long-term strategy.

"We want to be the building-block supplier to the Internet economy," said Craig Barrett, president of Intel. "And as part of that plan, we are going to make substantial investments to set up server farms around the world."

Intel already has a pilot operation in Santa Clara, California, equipped with a few hundred server computers, powered by Intel microprocessors. By the third quarter of this year, Intel intends to have its first data center with more than 2,000 Intel-based PC servers running, catering to customers including Excite Inc., the Web directory service.

Soon after, the company plans to begin a network of data centers worldwide to host Web sites and handle electronic commerce for businesses. These massive computer farms, Intel says, are expected to cost more than \$100 million each and be crammed with more than 5,000 servers.



### SAFRA REPUBLIC HOLDINGS S.A.

LUXEMBOURG

NOTICE IS HEREBY GIVEN by the Board of Directors of the Company that the Annual General Meeting of Shareholders of SAFRA REPUBLIC HOLDINGS S.A. ("SRH") will be held at the Hotel Royal, 12, Boulevard Royal, Luxembourg,

on May 12, 1999 at 11:00 a.m.

for the purpose of considering and voting on the following matters:

1. Chairman's Statements
2. Auditors' Reports
3. Approval of the statutory annual accounts of the Company for the year ended December 31, 1998
4. Approval of the consolidated financial statements of the Company for the year ended December 31, 1998
5. Approval of the increase by US\$ 8,915,506 of the legal reserve
6. Approval of the proposed distribution of a dividend of US\$ 1.63 per common share to be paid on May 31, 1999, approval of the distribution of a dividend of US\$ 7.2 per Series A Preference Share and a dividend of DM 6.35 per Series B Preference Share, payable quarterly in arrears on July 30, October 30, January 30 and April 30, and decision to carry forward the balance of the profit
7. Discharge of the Directors concerning their duties relative to the year ended December 31, 1998
8. Re-election of the Board of Directors and of the Auditors for a new one year term. All the Directors are eligible and stand for re-election
9. Authorization to the Board of Directors to allow the Company to purchase up to 10% of common shares in open market transactions to be held in treasury

The Board of Directors

#### NOTES:

Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting (the "Meeting") must produce a depositary receipt or present his share certificates to gain admission.

A shareholder wishing to be represented at the Meeting must lodge a proxy, duly completed, together with a depositary receipt at the registered office of SRH at 32, boulevard Royal, Luxembourg, not later than May 10, 1999 at 5 p.m. The shareholder may obtain the depositary receipt and, if required, the form of proxy, from any of the banks listed below by lodging the share certificates at their offices or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the Meeting at his address on the register, together with a form of proxy for use at the

Meeting. The proxy should be lodged at SRH's registered office in accordance with the above instructions.

The remittance of the form of proxy will not preclude a shareholder from attending in person and voting at the Meeting if he so desires.

All the resolutions covered by the Agenda for the Meeting may be passed by a simple majority of all shares represented at the Meeting.

Shareholders may obtain copies of the documentation listed below:

1. This notice
2. The Chairman's Statements
3. The Auditors' Reports
4. The statutory annual accounts and the consolidated financial statements of SRH for the year ended December 31, 1998 at SRH's registered office and from any of the banks at the following addresses:

- \* Banque Internationale à Luxembourg S.A., 69, route d'Esch, 1470 Luxembourg
- \* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB
- \* Republic National Bank of New York (Switzerland) S.A., 2, place du Lac, 1204 Geneva
- \* Republic National Bank of New York (Switzerland) S.A., Via Canova 1, 6900 Lugano
- \* Republic National Bank of New York (Switzerland) S.A., Paradeplatz 5, 8022 Zurich
- \* Republic National Bank of New York (Luxembourg) S.A., 32, boulevard Royal, 2449 Luxembourg
- \* Republic National Bank of New York (France) S.A., 20, place Vendôme, 75001 Paris
- \* Republic National Bank of New York (Monaco) S.A., 15-17, avenue d'Ostende, 98000 Monaco
- \* Republic National Bank of New York (Guernsey) Ltd, Rue du Pré, St. Peter Port, Guernsey, Channel Islands
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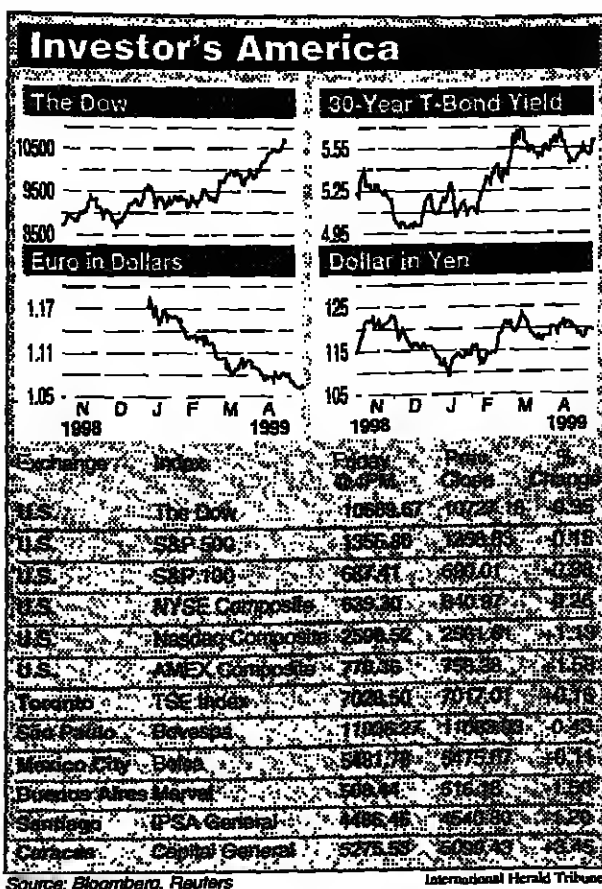
Pages 6-7.

Pages 18-19.

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## THE AMERICAS



## Very briefly:

- Mobil Corp.'s first-quarter net profit fell 34 percent, to \$464 million, from a year earlier because of low oil prices and slimmer profit from selling gasoline and other fuels. Sales at Mobil, which is being acquired by Exxon Corp., fell 11 percent, to \$12.18 billion.
- Merck & Co.'s first-quarter net profit rose 12 percent, to \$1.3 billion, from a year earlier, as sales surged 24 percent, to \$7.5 billion.
- The National Association of Securities Dealers, parent company of the Nasdaq market and the American Stock Exchange, is calling off a proposed merger with the Philadelphia Stock Exchange after nearly a year of negotiations failed to resolve outstanding issues.
- Kellogg Co.'s first-quarter earnings fell 30 percent, to \$118.8 million, as it spent more on promotions such as coupons to turn around sales lost to lower-priced cereals. Sales rose 6 percent, to \$1.75 billion.
- Lazard Freres & Co. agreed to pay \$11 million to settle federal regulators' charges of price-gouging and fraud in the municipal bond market. Under the accord with three U.S. agencies, Lazard will pay \$7.4 million to the federal government and a total of \$3.5 million to bond issuers in four states.
- E\*Trade Group Inc., the on-line broker, will split its stock for the second time this year, with a 2-for-1 split for shareholders of record May 7.
- Chock Full o' Nuts Corp. spurned an unsolicited takeover offer of about \$223 million from the consumer and food products maker Sara Lee Corp.
- Energy East Corp., a New York power provider, agreed to buy the natural-gas company Connecticut Energy Corp. for about \$617 million in stock, cash and assumed debt.
- Navistar International Corp. will spend \$250 million to buy and renovate an Alabama factory to make diesel truck and bus engines, creating as many as 600 jobs, in a bid to meet rising U.S. truck demand.

Bloomberg, AP, Reuters

# Iridium's Troubles Topple Chief

## Executive Quits in Wake of Problems Finding Phone Buyers

By Rajiv Chandrasekaran  
Washington Post Service

WASHINGTON—The chief executive of Iridium LLC, Edward Staiano, has abruptly left the company, a casualty of the venture's troubled efforts to find customers for its newly launched \$5 billion satellite telephone system.

"Ed has done a magnificent job in getting the system to where it is," Iridium's chairman, Robert Kinzie, said Thursday after Mr. Staiano stepped down.

"Now as we move into an era of marketing and financing, basically the board felt that new blood was needed at the top."

Industry analysts have lauded Mr. Staiano, 62, for spearheading the technical challenge of creating a network of 66 satellites to provide worldwide wireless phone service. But they have faulted him for marketing missteps, including failing to ensure that retailers had enough phones to sell when service began

late last year. Iridium switched on its service in November and by the end of the year had only 3,000 subscribers. Analysts had hoped that it would have at least 100,000 by that point, and Mr. Staiano recently said the company would need 500,000 customers to break even.

The customer shortage has created cash-flow problems for Iridium. In late March, the company said it had received a 60-day waiver from its bankers to meet certain terms of an \$800 million line of credit, including a requirement to have \$30 million in cumulative revenue and 27,000 subscribers.

On the same day, Iridium announced that its chief financial officer, Roy Grant, would resign "for personal reasons."

Iridium is renegotiating the terms of its loans. The company also said in March that it would fall short of its first-quarter profit and revenue targets.

On Thursday, Iridium named John Richardson, head of its African

subsidiary, as interim chief executive. Mr. Richardson previously was chairman and chief executive of Barclays Bank-BZW Asia, a unit of Barclays PLC, and has worked to turn around other troubled companies.

Day-to-day operations will be managed by a five-member executive committee made up of Mr. Richardson, John Mitchell, former vice chairman of Motorola Inc., Richard Lesher, former president of the U.S. Chamber of Commerce, and the presidents of Iridium's South American and Japanese subsidiaries. An Iridium spokeswoman, Michelle Lyle, declined a request to interview Mr. Staiano.

Iridium's shares, which were first sold to the public for \$20 in June 1997 and almost tripled within a year, have fallen about 73 percent in the past year. The company's shares finished down \$1.0625 at \$16 on Friday.

Iridium's concept of worldwide satellite phone service drew wide



Edward Staiano spearheaded Iridium's 66-satellite network.

spread enthusiasm in the telecommunications industry when it was unveiled, it was envisioned as a way for globe-trotting executives to be reached at the same number if they were in London, Nairobi or Jakarta.

But cellular phone service, which is cheaper because it relies on land-based antennas rather than satellites, has proliferated faster than expected in developing countries, reducing demand for Iridium's costlier service.

# Dollar Rises After Euro's Rally Fails

Bloomberg News

LONDON—The dollar rose against the euro Friday, hovering near its recent record levels against the single currency, after U.S. and British officials rejected a Yugoslav offer to allow an international presence in Kosovo, dashing hopes for an early end to the fighting in the province.

A Russian mediator had relayed an offer from the Yugoslav president, Slobodan Milosevic, to allow United Nations personnel into Kosovo.

In 4 P.M. trading, the euro was at \$1.0615, down from \$1.0636 on Thursday.

The euro had risen as high as \$1.0684, from as low as \$1.0560 in trading Thursday, which had been its lowest level since it was introduced at the beginning of the year.

Against the yen, the dollar slipped to 119.380 yen from 119.680 yen.

Investors were expecting Prime Minister Keizo Obuchi of Japan to introduce new measures to lift the economy from recession, but the yen gained little strength because traders also expect the Bank of Japan to be wary of any appreciation in the Japanese currency. A stronger yen could cut off any nascent economic recovery by making Japanese exports more expensive.

Meanwhile, the fighting in Kosovo, now in its fifth week, increases the "risk premium" associated with holding euros, said Stewart Newham, a currency strategist at Commerzbank.

That has led the German bank to slash its forecast for the euro in the coming months to 98 U.S. cents from \$1.07.

The dollar rose to 1.5095 Swiss francs from 1.5052 francs, while the pound was unchanged at \$1.6157.

# AT&T Bid Lifts Cable Shares but Tethers Dow

Compiled by Our Staff From Dispatches

NEW YORK—Stock prices were mixed Friday after a three-day rally, as AT&T's bid for a big cable television operator, MediaOne, hurt shares of the suitor but lifted those of cable companies.

Still, analysts said the lackluster trading offered no suggestions that the rushing market was running out of steam.

"The market is certainly overdue for a pause to refresh," said Alfred

Goldman, director of market analysis at A.G. Edwards & Sons Inc. in St. Louis. "Even bull markets have to rest their engines."

At the close, the Dow Jones industrial average was down 37.51 points at 10,689.67. The broader Standard & Poor's 500-stock index was down 2.03 points at 1,356.80, but the Nasdaq composite was up 28.91 points at 2,590.52.

The number of advancing and declining stocks on the New York

Stock Exchange was about even. Investors were concerned that AT&T's \$58 billion bid for MediaOne would hurt cable shares.

U.S. STOCKS

One could hurt AT&T's earnings. AT&T fell 3 1/4 to 53 1/4, dragging down the Dow, of which it is a component.

After AT&T's offer, which topped a \$56.5 billion bid from Comcast, "you'll continue to see

consolidation in communications suppliers—quite a few over the next year," said Michael Manns of American Express Asset Management in Minneapolis.

Such speculation drove up the shares of cable companies. Adelphia Communications, which has itself put together a string of acquisitions, rose 2 1/8 to 63 1/4, and At Home, which sells Internet services over cable television networks, climbed 12 1/16 to 158 1/4.

Bond investors took their cues from the languid stock market, leaving prices and yields relatively flat. The benchmark 30-year Treasury bond rose 3/32 to 95 1/32, pushing the yield down to 5.59 percent from 5.60 percent.

■ Big Board's Profit Falls

Profit fell for a second consecutive quarter at the New York Stock Exchange as the number of new companies listing their shares continued to decline, Bloomberg News reported.

First-quarter net income slumped 16 percent, to \$27.9 million, from a year earlier. The number of new listings dropped 42 percent, to 30. Revenue rose 3 percent, to \$177.2 million. Average daily trading volume increased 27 percent, to 797.6 million shares.

# Cox Sells Wireless-System Stake to Sprint

Compiled by Our Staff From Dispatches

ATLANTA—Cox Communications Inc., one of the largest U.S. cable-television companies, said Friday that it would sell its remaining 40.8 percent stake in Cox Communications PCS LP to Sprint Corp. for 24.3 million shares of Sprint PCS Series 2 stock.

The transaction, valued at \$1.2 billion and expected to close in the second quarter, will make Sprint the sole owner of the wireless communications network that provides Sprint PCS service in the Los Angeles, San Diego and Las Vegas areas.

Cox sold 20 percent of its interest in Cox Communications PCS in 1998 to Sprint, which is based in Kansas City, Missouri.

The deal came a day after Cox announced that it would expand its cable operations through the purchase

of Media General Inc., whose cable systems cover northern Virginia, in a \$1.4 billion deal.

Media General officials said consolidation in the cable industry was making it more difficult to work as the operator of a single system. The deal will affect 260,000 Media General cable customers in Fairfax and Frederickburg, Virginia.

"This is a high-growth area with great demographics that indicate demand is ripe for telecommunication services," said Jim Robbins, president of Cox. "Entering this market allows us to further our strategy of operating large systems in metropolitan areas."

Media General said the sale would allow the company, which is based in Richmond, Virginia, to focus on its newspapers and broadcast stations in the South-east.

## U. S. STOCK MARKET DIARY

Friday, April 23 Most Active									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Dow Jones	10690.00	10689.67	10690.00	10689.67	-37.51	1,114,000	119.680	119.380	119.680
S&P 500	1356.80	1356.80	1356.80	1356.80	-2.03	1,114,000	95.625	95.625	95.625
Nasdaq	2590.52	2590.52	2590.52	2590.52	+28.91	1,114,000	1.5095	1.5095	1.5095
AMEX	100.00	100.00	100.00	100.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Dow Jones Bond	100.00	100.00	100.00	100.00	+0.00	1,114,000	1.0615	1.0615	1.0615
10-Year T-Bond	95.625	95.625	95.625	95.625	+0.00	1,114,000	1.0615	1.0615	1.0615
30-Year T-Bond	95.625	95.625	95.625	95.625	+0.00	1,114,000	1.0615	1.0615	1.0615
Gold	380.00	380.00	380.00	380.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Oil	20.00	20.00	20.00	20.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Wheat	1.00	1.00	1.00	1.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Corn	1.00	1.00	1.00	1.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Soybeans	1.00	1.00	1.00	1.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Wheat	1.00	1.00	1.00	1.00	+0.00	1,114,000	1.0615	1.0615	1.0615
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## INTERNATIONAL FUTURES

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Dow Jones Bond	100.00	100.00	100.00	100.00	+0.00	1,114,000	1.0615	1.0615	1.0615
10-Year T-Bond	95.625	95.625	95.625	95.625	+0.00	1,114,000	1.0615	1.0615	1.0615
30-Year T-Bond	95.625	95.625	95.625	95.625	+0.00	1,114,000	1.0615	1.0615	1.0615

Friday, April 23									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Dow Jones	10690.00	10689.67	10690.00	10689.67	-37.51	1,114,000	119.680	119.380	119.680
S&P 500	1356.80	1356.80	1356.80	1356.80	-2.03	1,114,000	95.625	95.625	95.625
Nasdaq	2590.52	2590.52	2590.52	2590.52	+28.91	1,114,000	1.5095	1.5095	1.5095
AMEX	100.00	100.00	100.00	100.00	+0.00	1,114,000	1.0615	1.0615	1.0615
Dow Jones Bond	100.00	100.00	100.00	100.00	+0.00	1,114,000	1.0615	1.0615	1.0615
10-Year T-Bond	95.625	95.6							



## EUROPE

## German-Italian Merger Draws Fire From All Sides

By Edmund L. Andrews  
New York Times Service

FRANKFURT — One day after unveiling plans for a giant merger, Deutsche Telekom AG and Telecom Italia SpA came under new fire Friday from shareholders, competitors and Italian politicians.

Resurrecting an issue that had seemed to have been settled, Italian officials threatened to block the deal if the German government refused to offer more explicit assurances about its plans to reduce its stake in Deutsche Telekom.

Meanwhile, the Italian newspaper La Repubblica reported that a number of top Italian business leaders who own shares in Telecom Italia were throwing their support to Olivetti SpA's rival takeover bid.

People close to Olivetti, which is pressing

ahead with its unsolicited offer of cash and stock worth 11.50 euros (\$12.25) per share, said investors had overestimated Olivetti's new bond and stock offerings, which would be used to finance its takeover bid.

In an outward indication of shifting sentiment, investors bid up the shares of Tecnost SpA, an obscure subsidiary of Olivetti that is being used as the legal vehicle for taking over Telecom Italia. Tecnost shares, which are traded in Milan, jumped 10 percent to 9.60 euros.

Shareholders were also grumbling in Germany. The German Shareholder Protection Group, a Dnsseldorf-based association that represents small investors, warned that the merger with Telecom Italia still had "skeltons in the closet" and might be a bad deal for Deutsche Telekom shareholders.

The group also complained that the merged

company would remain vulnerable to political interference, an implicit reference to the Italian government, and warned that the two companies' awkward plan to alternate chairmen every year would do little to solve that problem.

Though Deutsche Telekom shares closed unchanged at 35.50 euros, they have slid sharply since word of the proposed merger began to circulate last week. That could be a serious problem for Deutsche Telekom, because the value of its offer is based on its stock. At current stock prices, its offer is only slightly higher than Olivetti's bid, and the margin could shrink further.

Much of the speculation is being driven by muddled statements from the Italian government.

Finance Minister Vincenzo Visco of Italy insisted Friday that the German government had to provide greater assurances about its

plan to reduce its 72 percent stake in Telekom. The issue is the same one that bogged down Telecom Italia's board several days ago, but it appeared to have been resolved when the German government issued a comforting but noncommittal letter saying that it would reduce its stake over time and had no interest in running Telekom on a day-day basis.

On Friday, Mr. Visco and other Italian officials demanded that the German government offer more concrete assurances for "parity" between the Italian and German companies and more specific detail about its own plan to reduce its stake in Deutsche Telekom.

"It is not reasonably acceptable or conceivable that Telecom Italia is bought by a German state company," Mr. Visco said in Rome. "The Germans must give clear, precise and rapid signals on parity and on the timetable of privatization."

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
5500	6750	4500	
5300	6500	4300	
5100	6250	4100	
4900	6000	3900	
4700	5750	3700	
4500	5500	3500	
1998	1999	1999	1999
Exchange Index	Index	Index	Index
Amsterdam AEX	591.23	551.56	5.06
Brussels BEL-20	3,224.36	3,254.09	0.94
Frankfurt DAX	5,195.42	5,218.82	0.45
Copenhagen Stock Market	513.93	515.94	0.39
Helsinki HEX General	6,294.99	7,066.24	2.57
Oslo OBX	598.73	605.32	1.02
London FTSE 100	6,428.00	6,413.90	-0.22
Madrid Stock Exchange	879.58	871.96	-0.86
Milan MBTEL	2,475.76	2,478.00	0.09
Paris CAC 40	4,292.45	4,291.95	-0.01
Stockholm SX 16	4,442.20	4,455.25	0.29
Vienna ATX	1,299.85	1,245.39	-4.33
Zurich SPI	4,599.80	4,590.92	-0.24

Source: Teletours International Herald Tribune

## Very briefly:

- Norway's central bank cut its key interest rate, the folio, of deposit, rate, to 6.5 percent from 7.0 percent, and its lending rate to 8.5 percent from 9.0 percent.
- Volkswagen AG has negotiated a contract with the German trade union IG Metall that will give 100,000 workers a wage increase of 3.2 percent for 14 months beginning Aug. 1.
- Credit Agricole SA of France is the first bank to bid for a stake in Credit Lyonnais, which the French government is selling after a \$25 billion bailout. Credit Agricole is expected to take a 10 percent stake in the bank for as much as 5 billion French francs (\$810 million).
- UniCredit Italiano SpA and the German insurer Allianz AG entered talks to buy 52 percent of Bank Pekao SA of Poland, which is to be sold by the Treasury Ministry. The Italian bank wants to buy 50.1 percent of the 75.7 million shares, with Allianz taking up 2 percent.

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B. www.ihl.com

## Britain Economy at 'Standstill' With 0.1% 1st-Quarter Growth

Compiled by Our Staff From Dispatches

LONDON — The British economy likely will avoid an outright recession, economists said Friday after official figures showed a slight increase in economic growth.

Gross domestic product expanded by 0.1 percent in the first quarter of the previous quarter and 0.7 percent from the year-ago period, the Office for National Statistics said.

Economic growth in Britain has not been lower since the recession of 1992.

The figures, which were in line with market expectations, continued to paint a familiar picture of a depressed production sector and a much more buoyant services sector. But economists saw a silver lining, arguing that the figures suggested that the troubled

economy would avoid recession.

"While the implication is that the economy is at a standstill," said Philip Shaw, an economist at the Investec investment house, "it does look as if the trough has been reached and growth should pick up over the remainder of the year."

Analysts said the GDP figures probably would not keep the Bank of England from cutting its key money-market lending rate again, but they warned that other recent numbers, notably earnings figures published Wednesday, had indicated economic strength.

The Bank of England has cut its key interest rate six times in seven months, to the lowest level since February 1994, in a drive to head off economic stagnation. (Bridge News, AFP)

## IMF Said to Favor New Loan to Russia

Compiled by Our Staff From Dispatches

MOSCOW — After an eight-month interruption, the International Monetary Fund looks set to resume lending to Russia, but former Deputy Prime Minister Anatoli Chubais said Friday that Moscow might get little more than what it needs for its repayments to the Fund.

The decision can help the beleaguered Russian economy and ease a deterioration in U.S.-Russian relations caused by a dispute over the NATO air strikes and missile attacks against Yugoslavia, a traditional Russian ally.

First Deputy Prime Minister Yuri Maslyukov will lead a Russian delegation Saturday to the IMF's annual meeting in Washington, where he is expected to complete a deal on new financing. Russia is obligated to pay

\$4.5 billion to the IMF this year in payments toward previous loans.

"The basic thing is that an agreement between Russia and the IMF be achieved," Mr. Chubais said. "The amount of money distributed will be a maximum \$4 billion to \$5 billion."

The United States and Britain have stressed that Russia must be given assistance at this time in its payment problems.

There are "enormous national security issues" with Russia, Treasury Secretary Robert Rubin said Thursday in New York. Getting Russia back on track, he added, is "very difficult, but we cannot afford not to do it."

After six months of discussions, the managing director of the Fund, Michel Camdessus, and the Russian prime minister, Yevgeni Primakov, said last

month that they had reached an agreement in principle that the Fund would resume lending.

But there had been no agreement on the amount or on the final details of the Russian government's endeavors to improve its weak tax collection performance.

Finance Minister Mikhail Zadornov, who will be at the meeting in Washington, said Friday that preparatory discussions with a Fund team in Moscow on an economic program were now in their "absolutely final" stages.

"I don't know if we will be able to finish up the documents today," he said.

The team has been here for two weeks to review the government's program, which, analysts said, probably still falls short of IMF targets. (Bloomberg, Reuters)

## WORLD STOCK MARKETS

Friday, April 23

Prices in local currencies

In euros for EMU countries.

Tel Aviv

High Low Close Prev.

Amsterdam

AEX Index: 511.23

Previous: 511.23

ASX

All Ordinaries: 3,215.45

Previous: 3,215.45

BSE

S&amp;P 100: 1,245.39

Previous: 1,245.39

CSE

Composite: 3,215.45

Previous: 3,215.45

DSE

All Share: 1,245.39

Previous: 1,245.39

Euronext

Composite: 3,215.45

Previous: 3,215.45

FTSE

100 Index: 4,292.45

Previous: 4,292.45

HSE

All Share: 1,245.39

Previous: 1,245.39

ISE

Composite: 3,215.45

Previous: 3,215.45

LSE

All Share: 1,245.39

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NYSE

Composite: 3,215.45

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OSE

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SSE

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TSE

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**Friday's 3 P.M.**

**The 2,300 most traded stocks of the day.**

**The Associated Press**

**Continued on Page 18**

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**Motor's 2000 Off a TV**  
 ... Holds 11. On

1944-1945

## Locomotion Feeding



## ASIA/PACIFIC

## Under Pressure, Hyundai Again Promises to Shrink

SEOUL — Hyundai Group unveiled plans Friday to radically reduce the size of its business empire this year as it attempts to reduce debt in response to government pressure.

Hyundai, South Korea's biggest conglomerate, or *chaebol*, said it would cut the number of its units to 26 from 62. Park Se Yong, chairman of Hyundai's restructuring committee, said the group was trying to spin off Hyundai Oil Refinery Co. and may sell Incheon Iron & Steel Co.

The blueprint is the second to be unveiled by Hyundai since December, when it pledged to shed 50 percent of its businesses. But, instead, the number of its subsidiaries has grown by 25 percent since then.

Hyundai will spin off 13 units, merge 15, sell a further 13 and liquidate four companies, with eight nonautomobile units to be sold off or merged, a Hyundai executive said at a press conference.

Mr. Park said the latest restructuring plans were "far more extensive" than previously announced measures, and include the new element of giving up its chemical operations.

He declined to name the companies that will be sold or spun off in the process of restructuring, citing the "possible commotion among employees and the negative impact on its plan to attract foreign capital."

The moves are designed to reduce Hyundai's debt to 45.4 trillion won (\$38.2 billion) from 79.3 trillion won. That would bring



Hyundai assembly line in Ulsan, South Korea. Cars will be one of Hyundai's five core subgroups.

the group's debt-to-equity ratio down to 1.9-to-1 by the end of 1999 from the current 4.5-to-1, in line with government directives for Seoul's top groups to bring debt levels below twice the shareholders' equity.

Hyundai also said it would raise \$1.76 billion in foreign capital as it moves to ease government pressure to improve its balance sheet. Seoul has been leaning on the *chaebol*,

which it blames for years of reckless expansion that helped force South Korea to apply for a \$60 billion rescue by the International Monetary Fund. The government has threatened to cut Hyundai off from access to fresh loans if it does not reduce its debt fast.

The heads of Korea's top five *chaebol* will meet President Kim Dae Jung next week to deliver a progress report on their restructuring

plans. Mr. Kim is expected to seek firm commitments from the executives to follow through on earlier promises to cut debt.

Mr. Park said Hyundai would also advance by two years, to 2003, previously announced plans to split into five smaller groups focusing on autos, electronics, heavy industry, construction and finance.

"The Hyundai Group will be dissolved completely by then, with only the five core subgroups operating independently," Mr. Park said.

As an initial step in its plan, Hyundai will establish the automobile operations as the first independent subgroup next year, he said.

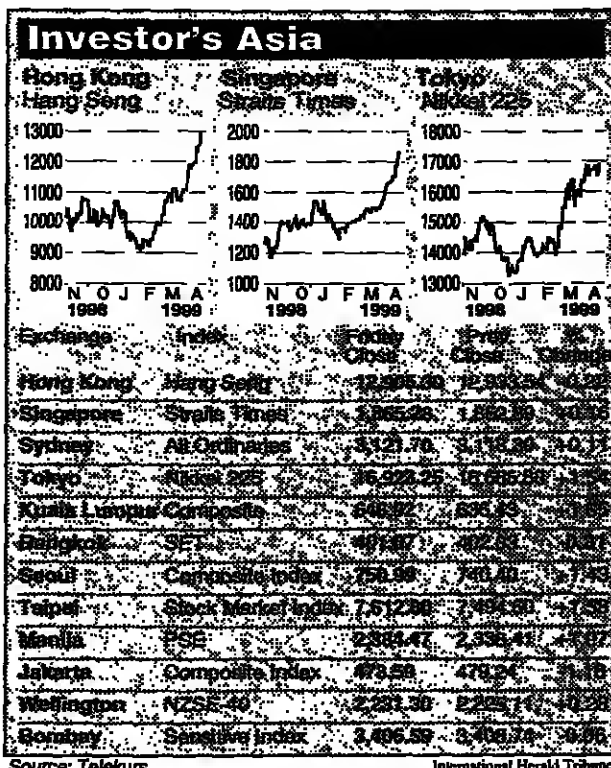
Hyundai Group will divest "all noncore businesses" in order to improve its financial position and to be more focused on its core five businesses.

It will also include a number of blue-chip units with assets of more than 1 trillion won on the list of units to be spun off, he said.

Separately, Hyundai and another *chaebol*, LG Group, said Friday that they had agreed to finalize the merger of their semiconductor units by

July. The deal is expected to realign the world microchip market, with the new unit competing with NEC Corp. of Japan to be the world's dominant producer of computer chips.

Under terms of the deal, Hyundai will pay 1.56 trillion won in cash and securities and the remaining 1 trillion won in installments until June 2002. (AFP, Reuters, Bloomberg)



## Very briefly:

• Hong Kong reported continuing deflation in March as property rents helped pull the broadest consumer price index down 2.3 percent from the year-ago period. It was the sixth straight monthly decline, with the prices of durable goods falling 3.4 percent and those of food dropping 2.8 percent.

• Indonesia will spend 21.7 trillion rupiah (\$2.52 billion) to recapitalize eight private banks: PT Bank Lippo, PT Bank International Indonesia, PT Bank Bali, Bank Bukopin, Bank Universal, Bank Arta Media, Bank Prima Express and Bank Tamara. The announcement, which was delayed by days, came amid worries that the government was abandoning its \$34 billion bank rescue plan.

• Taiwan's seasonally adjusted jobless rate rose to 2.99 percent in March from 2.70 in February, as people left jobs after getting their annual Chinese New Year bonuses.

• Thai exports, expressed in dollar terms, fell 3.8 percent in the first quarter, to \$13.1 billion, from a year earlier.

• China no longer will approve power-plant projects that guarantee foreign investors fixed returns on their capital, the official Xinhua press agency reported, although agreements already signed will remain valid.

• Japan Tobacco Inc. has found 26 banks to join its \$5 billion syndicated loan, completing financing for its acquisition of the international tobacco business of RJR Nabisco Inc.

• South Korean securities companies returned to profit in the year through March from the record losses posted in the previous year, helped by gains at Daewoo Securities Co. and Hyundai Securities Co.

• Tongkah Holdings Bhd., a Malaysia holding company controlled by a son of Prime Minister Mahatir bin Mohamad, is floating 624.7 million ringgit (\$164.8 million) in new debt to repay older loans and help avert collapse in the face of slowing business and rising interest rates. (Reuters, Bloomberg, AFP)

## Toyota and Nissan Report Slump

TOKYO — Japan's two top carmakers, Toyota Motor Corp. and Nissan Motor Co. Ltd., said Friday output and exports fell in the past year to March as sales slumped at home and across Asia.

Toyota said domestic vehicle production, including passenger cars, trucks and buses, sagged 9.8 percent from last year to 3,086,559 units, while Nissan said its domestic vehicle production fell 8.6 percent to 1,528,461 units.

Toyota, Japan's top carmaker, said domestic sales declined 9.3 percent and exports slid 5.8 percent due to slack sales in Asia.

Overseas production grew 8.9 percent "thanks to steady production increases in North America and Europe," Toyota said. Toyota's overall worldwide output was down 4.4 percent.

Nissan's exports edged down 0.1 percent with strong sales in Europe, South America and Australia offsetting slumping sales in Asia.

(Reuters, Bridge News, AP)

## Nissan Motor's No. 2 Fends Off a TV Icon

'Le Cost-Killer' Holds His Own in Japan

By Frederic Garlan

Agence France-Press

TOKYO — Carlos Ghosn, the former top executive at Renault SA who is now No. 2 at Japan's troubled Nissan Motor Co., has made a bold public debut here by enduring a grilling on Japan's most famous television news show.

Early reviews indicate that Mr. Ghosn, known as the *cost-killer* in France, more than held his own against Hiroshi Kume, the aggressive star of TV Asahi's daily News Station show.

For 14 years, Mr. Kume, the nation's most popular and at times reviled television host, has cut a swath through Japan's normally dull news shows with his brash and flippant style.

His on-air introduction of Mr. Ghosn on Thursday gave a taste of things to come: "Although he looks like Mr. Bean," Mr. Kume said, referring to the hapless title character of a recent hit movie, Mr. Ghosn is "the man of great ability."

Renault has acquired a 36.8 percent stake in Nissan for \$5.4 billion. Industry observers expect Mr. Ghosn's cost-cutting expertise to help turn around Japan's No. 2 automaker, which is burdened with debt of 4.3 trillion yen (\$35.93 billion). Under Mr. Ghosn, Renault shaved 3,850 francs (\$623) from the average

cost of building each car, helping it to return to profit. Pointing at a chart, Mr. Kume reminded Mr. Ghosn that Renault's turnaround was made possible by closing its Vilvoorde factory in Belgium and dismissing 3,000 workers.

"Will the formula used at Renault be used at Nissan?" Mr. Kume wanted to know.

"There is no formula," Mr. Ghosn replied, clearly at ease in the country-style setting of the show's studio.

"Renault is Renault, and Nissan is Nissan," he said. "You cannot keep up unused capacity for a long time, that doesn't work in any industry. But I do not think you could energize Nissan just by focusing on reduction."

Nissan must once again start to produce "attractive" and "competitive" products, he said.

Knowing that News Station's style is to upset, Nissan executives were reluctant to let Mr. Ghosn appear, preferring his television debut to take place on the more placid Japan Broadcasting Corp.

"It's rare for us to invite businessmen," said Kanae Fukushima, a journalist on the staff of the show, adding that News Station usually books artists, musicians and sports stars as guests.

"The public is not interested and the businessmen themselves don't want to come on the show," she said.



Mr. Ghosn, Renault veteran.

Henry Wallace, the former Ford Motor Co. executive who became the first foreign businessman to head a Japanese company when he took over as head of Mazda Motor Corp., posed for advertising photos for his company, his successor, James Miller, is now appearing in his own television advertisements. But neither executive faced off on camera against Mr. Kume.

Mr. Ghosn, who arrived in Japan less than two weeks ago, said he was still becoming accustomed to his new surroundings. "But I have found a great will on the part of the staff to get out of the current stagnant situation which has reduced the market share," of the group, he said.

"If I can serve as a catalyst to accelerate the revival of the company, I will be very happy."

## Brierley Joint Venture Aims To Profit as Asia Recovers

Compiled by Our Staff From Dispatches

WELLINGTON — Brierley Investments Ltd. unveiled a new business plan Friday that aims to chase bargains in Asia as the region works its way out of a financial crisis.

Brierley, the biggest investment company in New Zealand, is forming a joint venture with Rothschild Inc.'s Asia Recovery Fund to focus on investment opportunities in China, Hong Kong, Taiwan and Southeast Asia.

Brierley and Rothschild will each contribute \$100 million to the fund, which will be chaired by the executive managing director of Rothschild, Wilbur Ross. The venture will seek to attract other investor capital to increase the fund to \$1 billion.

"Co-investment will be a feature of the company in the future," said the executive chairman of Brierley, Selwyn Cushing.

Brierley would get management fees, performance-related rewards and benefit from any capital growth from its initial investment, he said.

The company also announced a new long-term business plan that calls for reducing its current 28 assets to a core investment portfolio of 12 to 15 companies in New Zealand, Australia, Europe, Britain and Asia.

The company also said it was considering moving its headquarters to Singapore, to be closer to Asian banks and its major investors, which include the Singapore government and Camerlin Group Bhd. of Malaysia. Sixty percent of its investments are outside of New Zealand.

(Reuters, Bridge News, AP)

"The board feels that it would be desirable to consider to move the head office to an international center where it can more effectively operate as a global company," Mr. Cushing said.

Brierley has been beset by difficulties in the past year. Roger Dooglas, a former New Zealand finance minister, took over as executive chairman in April 1998 and promptly shuffled management and undertook a strategic review of the company.

But he stepped down as chairman in November after a public disagreement with Camerlin Group. He remained a board member until March 30. Mr. Cushing took his place as chairman.

After recording a loss of 151 million New Zealand dollars (\$82.4 million) for the six months to Dec. 31, the company said no dividend.

On April 8, Brierley announced the completion of a capital restructuring with negotiations for a debt-refinancing package of up to 600 million dollars concluded on favorable terms.

Mr. Cushing then said Brierley had the financial flexibility to pursue investment opportunities.

Its portfolio includes 46 percent of Thistle Hotels of Britain, 42 percent of Air New Zealand and 28 percent of the Australian building products firm James Hardie Industries.

Shares of Brierley Investments Ltd. gained 5.45 percent Friday to 58 New Zealand cents.

(Reuters, Bridge News, AP)

## U.S.-China Talks on WTO Show No 'Obvious Progress'

Reuters

BEIJING — Chinese and U.S. trade negotiators made no obvious progress in two days of talks on China's entry to the WTO, the official Xinhua press agency said Friday.

"The current two-day talks concluded without obvious results," Xinhua said.

China's chief negotiator, Long Yongtu, the deputy foreign trade minister, was quoted as saying that talks would continue, but he did not say when. A source close to the talks said they would continue over the weekend. Xinhua also gave no details as to why there was no progress.

Mr. Long held a one-hour meeting with Robert Cassidy, the U.S. assistant trade representative, after group discussions on textiles and services. Mr. Cassidy is scheduled to leave Beijing on Sunday.

He arrived on Wednesday, just hours after Prime Minister Zhu Rongji returned from North America where he failed to clinch a deal with the United States on China's 13-year quest to join the World Trade Organization.

## Japan Says Economy Is in Better Shape

Compiled by Our Staff From Dispatches

TOKYO — Japan said Friday that the worst of its economic slump was over, but urged the central bank to take further precautions until the economy had clearly moved toward recovery.

In a report assessing the progress of economic policies, the Economic Planning Agency said Japan had "escaped the risk of a deflationary spiral." But the Bank of Japan should continue supplying ample liquidity to the money markets until it is clear that the economy is back on the path to a self-sustaining recovery, the agency said.

It also noted that growing unemployment remained a problem amid ongoing corporate restructuring and increasing pressure to get rid of excess capital stock.

The agency chief, Taichi Sakaiya, said the government did not plan to carry out "aggressive" fiscal spending on public works for the current fiscal year. But additional steps may be taken to address the deteriorating labor market, he said.

Unemployment in Japan rose to a record 4.6 percent in February. The high jobless rate and pressure to cut excessive production capacity are seen as factors hurting private demand, including personal consumption and capital investment.

Chief Cabinet Secretary Hiromu Nonaka said that plans to stem the increase in the unemployment rate would be unveiled next month.

Analysts agreed that Japan's massive spending on economic stimulus plans had helped the country avoid deflation so far. But they

said the risk was not over.

Andrew Shipley, an economist at Schroders Japan Ltd., said, "Downward pressure on prices remains intense and further fiscal and monetary easing will be required only to prevent a collapse in output and not also to ensure the survival of Japan's financial system as well."

He also warned that "restructuring efforts appear to be falling short of what is needed to generate margin improvement."

Yuriko Tanaka, economist at Goldman Sachs, said industrial output was still showing "unstable movement." He noted that output by some industries such as electronic machinery was steady but that production of such products as ones related to capital investment was out.

(AP, Bridge News, Bloomberg)

## Telecoms Feeding Frenzy in Asia Is More Modest

Reuters

SINGAPORE — It has been overshadowed, perhaps, by the giant telecommunications merger in Europe, but Asia is experiencing its own feeding frenzy of merger and acquisition activity, with foreign interests among the hunters.

But despite the flurry of activity, analysts do not expect a torrent of transactions from non-Asian buyers. They say that despite the potential for growth, enthusiasm has been dampened by high selling prices, mistakes by previous acquirers and uncertainties over government commitments to liberalize the telecommunications industry.

In the past two months, there has been talk of transactions involving parts or all of two Japanese telephone companies, one Australian company and a Hong Kong concern.

International Digital Corp. of Japan is being courted by Nippon Telegraph & Telephone Corp., which is said to be offering 66.1 billion yen (\$552.3 million) for all of the company. Challenging that offer is a founding IDC shareholder, Cable & Wireless PLC, which wants to buy the 62.3 percent stake it does not own for a bid estimated at more than 62 billion yen.

The Australian telecommunications company AAPT Ltd. has turned down to too low an offer of 1.5 billion Australian dollars (\$970 million) from the

country's second-largest carrier, C&W Optus, which is 53 percent owned by Cable & Wireless.

Japan Telecom Co., the third biggest Japanese phone carrier, is speculated to be a target of AT&T Corp. and British Telecommunications PLC, which are said to be seeking a combined 30 percent stake for \$1.5 billion.

BT has said it is paying 3.02 billion Hong Kong dollars (\$389.8 million) for 20 percent of the Hong Kong cellular phone operator SmartTone Telecommunications Holdings Ltd., to gain access to the China market.

However, what has already surfaced in the way of foreign interest in acquisitions may be all the business there will be for the near future, analysts say. And some non-Asians are looking to sell, not buy.

"We've been following this quite closely, and there are not that many people who are seriously looking," said Andy Perkins, a regional telecommunications analyst at Paribas in Singapore.

"There aren't a lot of distressed prices on offer, and some people who invested heavily pre-crisis got stung badly," he said.

While it is difficult to provide standard prices for telecommunications asset values, analysts say acquirers that got into the takeover game before the Asian economic crisis probably overpaid for businesses that

later did not fulfill expectations.

Telstra Corp. of Australia is reviewing its expansion binge. It is expected to divest itself of two-thirds of its Asian investments, which are underperforming.

Swisscom AG is selling minority stakes in Malaysian and Indian companies after the investments resulted in steep losses.

Asia has seen bursts of acquisition activity in the past year, particularly from BT. In the past 12 months, the company has poured in more than \$1 billion into minority stakes and joint ventures, amassing six major joint ventures in Japan, South Korea, Singapore, Malaysia, India and New Zealand.

But BT may represent the exception rather than the rule. "BT activities aside, I generally believe non-Asian telecoms companies are very reluctant to put money into the region," said a telecommunications analyst at an American research house in Singapore.

"At the local level you still have persistent foreign ownership limits, and relatively high macro-political and economic risk," he said.

Most Asian countries still have foreign ownership limits on phone companies, even though some — South Korea, Taiwan, India and Thailand — are moving toward freeing up their markets. Singapore and Hong Kong are also viewed as open to investments.

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**Friday's 4 P.M. Close**

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## Continental Divide or Dividend? Inside Views of EMU Outsiders

## The Not-Yet Promise of Britain, Denmark, Greece and Sweden

By Conrad de Aenile

**B**ITAIN, Denmark, Greece and Sweden, used to be the four euro-outs, but lately their status has been upgraded by professional investors. The European Union members that were unwilling — or, in Greece's case, unable — to participate in Economic and Monetary Union are now thought of as the euro-not-yet-ins.

According to the prevailing wisdom, it is only a matter of time — generally thought to be two to five years — before the four join the other 11 in the currency bloc. Public opinion polls show a will to join, except in Britain, where more people favor remaining out than in, but by a decreasing number.

Perhaps more important, their economies — even Greece's — either meet or are approaching the membership criteria set forth in the Maastricht Treaty on European Union.

Anticipating entry by the four, bond traders have pushed and pulled yields closer to those of the core EMU states, just as happened in the peripheral countries of southern Europe before EMU started. This is likely to continue, analysts at Salomon Brothers state in a report, because present interest rates in Denmark, Greece and Sweden do not fully price in membership, even by 2004.

That may not provide much guidance for equity investors because, except for Greece, the stock markets have been moved more by factors unrelated to EMU, and their performance has varied greatly across the four countries.

Guillaume Rambourg, a manager of European portfolios at Gartmore Investment Management, pointed out that Swedish stocks had risen about 11 percent this year, while the market in Denmark was down 8 percent. Britain was in the middle, rising about 10 percent, and Greece beat them all, recently showing a 33 percent gain for the year.

Greece's economic history is somewhat checkered, which is why EMU

membership matters more there than in the other prospective second-wave, and why its markets are soaring as membership appears more likely.

"There are some similarities to Italy, in that both suffered from a bloated pension system and large public deficits," said Roger Monson, head of emerging-market strategy at the Dutch bank Rabobank.

"But Greece's is an inherently weaker economy than Italy's," he added. "Its natural-resource base is very limited, its level of education is lower by some way, and its exports are far less diversified and more subject to global competition due to lower knowledge-based content. Greece's position in the Balkans, with all that that implies, is also a hindrance to wealth generation."

Despite such an unpromising backdrop, Mr. Monson said, "Greece is likely to benefit further from its convergence program, and its equity market should enjoy above-average performance in the next six to 12 months."

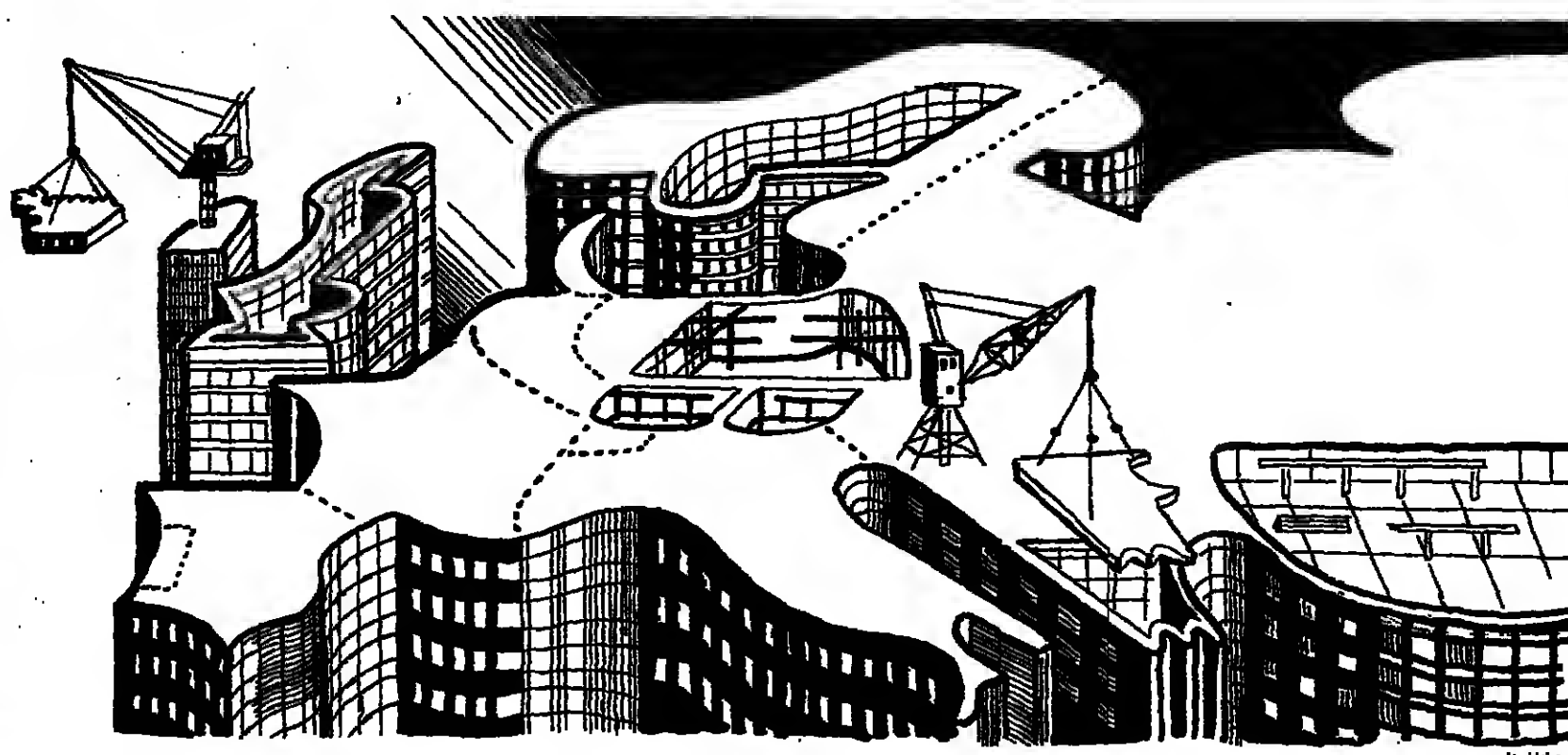
With Greek government debt yielding four percentage points more than German debt, Mr. Monson said, this implies a further rally for bonds, and heightened valuations for certain stocks as well. "I think we may see better performance over the next year from construction firms, who may also benefit from rebuilding after Kosovo, as well as food exporters and well-placed hotels," he said.

Mr. Rambourg of Gartmore agreed that "there is still a bit to go" on interest-rate convergence, with bank stocks the best way to take advantage of it. Banks benefit from gains on their bond portfolios, he said, as well as from growth in lending and in funds under management.

Salomon Brothers said that after the sharp rally, shares in some industries were "fully valued," which means expensive, and the Balkan war could hit prices if NATO commits ground troops.

The stock market in peaceful Denmark has been one of the worst this year in Europe. One reason is a hangover

Continued on Page 21



## In the East, Bright Spots on EU's Widening Horizon

By Barbara Wall

**F**OLLOWING a dull first quarter, markets in Central and Eastern Europe are not exactly basking in the investment spotlight. But the Czech Republic, Hungary and Poland have been flagged as the next plays on the broadening of the European Union, and strategists say they are confident that these markets will rebound in the second half of 1999.

The three countries are not expected to join the EU before 2003, although economic convergence is already under way, according to economists who follow the region. Dan Lubash, managing director of the emerging Europe desk at the brokerage Merrill Lynch in London, said

that if the examples of Greece, Portugal and Spain are anything to go by, convergence should help support stock markets in Central and Eastern Europe.

He cautioned against jumping in too soon, however. "Countries have to meet certain criteria laid down in the Maastricht Treaty," he said. While Poland has made progress in meeting deficit criteria and Hungary leads in corporate restructuring, Mr. Lubash advised waiting "until there are signs that growth rates in Western Europe are picking up" before buying stocks.

Since the Russian crisis erupted last year, Western Europe has become the principle export market for Central and Eastern Europe. Markets in Hungary, Poland and particularly the Czech Republic

have been weak for many months because of growing trade deficits caused by the economic situation in Western Europe.

The recent interest-rate cut by the European Central Bank is seen by economists as a welcome sign, although it may not be enough to stimulate growth immediately.

The Czech Republic is starting to attract interest from value investors because of the three EMU candidates, it has fallen the furthest. But Jane Hakham, an emerging-markets analyst at Beta Funds in London, said that she preferred Poland because it offered the most choice and had several "promising" situations, especially in the banking sector.

"There has been a great deal of takeover activity," she said. "There are also a few restructuring stories that

might be worth investigating. Elektrim SA, for example, was an industrial conglomerate but it is now divesting its assets and focusing on its core business, which is telecom services."

The BBL Invest Emerging Europe fund, based in Brussels, is invested 33 percent in Poland, 30 percent in Hungary and 12 percent in the Czech Republic. It has primarily blue-chip stocks in the telecommunications and energy sectors.

Pierre Nicolas, manager of BBL Emerging Europe, said there were still many uncertainties, notably Hungary's current-account deficit and ongoing restructuring problems in the Czech Republic, but he added that the downside risk was probably not that great.

Continued on Page 20

## Praise for the Unsung Middle Way

**M**ID-CAP STOCKS rarely get the respect they deserve. They are not too large and not too small, but, unlike the furniture in the Three Bears' house, they have not seemed just right. Stocks with "middle" capitalizations — usually defined as having market values between \$1 billion and \$10 billion — trailed large-caps in every year from 1994 to 1998. And, through Wednesday, large-caps, as measured by the Standard & Poor's 500 index, had returned 8.7 percent for 1999, while mid-caps, as measured by the S&P 400, had lost 1.4 percent.

It is hard to understand this poor performance. Small-caps have been out of favor because, we are continually told, they lack liquidity — or a ready market of buyers — and because they have a hard time competing with behemoths that have pricing power and economies of scale.

But there is plenty of liquidity in mid-caps, and many of the companies are leaders in their market segments. Mid-caps include companies like Hertz Corp., with 500,000 rental vehicles in 40 countries, and H&R Block Inc., the largest U.S. tax preparer, serving one in every eight taxpayers. Mid-caps appear to be classic value stocks — underappreciated for no good reason. But, even better, many mid-caps have a mid-cap's "edge," said the headline of a recent letter to clients of Salomon Smith Barney from A. Marshall Acuff Jr., who argues that, by one indicator, mid-caps are at least twice as good a value as large-caps.

Tom Wald, who runs Invesco Dynamics, an excellent mid-cap growth fund, agrees. His reasoning, like Mr. Acuff's, is that mid-caps both have lower valuations and faster-growing earnings than large-caps. The price-to-earnings ratio of the average S&P 500 company, based on estimates of 1999 profits, is 27, but the P/E for the 400 stocks of the mid-cap index is just 19. Meanwhile, earnings for the large-caps are expected to rise 7 percent this year, according to Mr. Wald, while earnings for mid-caps should rise 14 percent.

Mr. Acuff finds similarly striking results by comparing the 50 largest stocks in the S&P with a portfolio he calls "Mid-Caps We Like," or MCWL — 106 stocks that Salomon analysts rate "buy" and that have estimated earnings-growth rates of at least 15 percent annually for the five years ahead. The Top 50 group has beaten MCWL in eight out of nine quarters since 1997, but valuations now heavily favor the mid-caps.

For instance, says Mr. Acuff, the Top 50 stocks trade at P/E ratios that are three times higher than their growth-rate percentages, while the MCWL stocks have P/E ratios that are just 1.3 times as high as growth. "The mid-cap portfolio," he writes, "should begin to outperform the large-caps."

That is already happening. From March 23 to April 21, the mid-cap index returned 9.6 percent while the large-cap index returned just 5.9 percent. One of the best mid-cap funds, Janus Enterprise, whose average holding has a market cap of \$5 billion, returned 34 percent in 1998 (five points better than the S&P) and is up 17 percent in 1999.

The No. 2 holding for Jim Goff, manager of Janus Enterprise, is Apollo Group Inc., which runs for-profit post-secondary schools and is also on the Salomon MCWL list. It has increased its year-over-year earnings for the past 16 straight quarters and trades at a P/E of 33 with an estimated growth rate for the next five years of 30 percent annually.

A P/E of 33 sounds high. But look at what happens to earnings if they really do grow at 30 percent annually. After five years, they will rise from 75 cents to \$2.10. Apollo is recently trading at \$24.38. What if its P/E falls from 33 to a modest 25? The stock will then be priced at \$52.50.

The power of compound earnings is awesome, and many mid-caps have it. Consider another Salomon favorite, Raychem Corp., which makes sophisticated cable and wire for aerospace and telecommunications companies. With a mar-

ket cap of \$2 billion, the company is increasing its earnings — and its dividend — at 15 percent annually and carries a P/E of 15. If Raychem keeps up that growth for 20 years, it will be earning about \$27 a share. Even if the P/E plummets to 12, the stock will be priced at \$324 — up from its current \$26.50. Meanwhile, Raychem pays a 36-cent dividend, which would rise to about \$6, or a 22 percent return in the 20th year alone.

Growing far faster is Paychex Inc., which has a market cap of \$8 billion and ranks No. 2 in payroll services for businesses, after the giant Automatic Data Processing Inc. Paychex has a dividend that has risen from 1 cent to 36 cents in the past 10 years. Salomon pegs earnings growth at 28 percent, which would make the P/E ratio — now 62 — utterly reasonable.

Of course, everyone would like to buy Paychex cheaper, but it has had a tendency to go up on a consistent diagonal from the bottom left of the chart to the top right, returning 2,738 percent for the past decade.

Mr. Wald, who manages Invesco Dynamics with Tim Miller, says that lately he has been buying such mid-caps as Tandy Corp., which, with a market cap of just \$7 billion, owns the Radio Shack chain. On Wednesday, Tandy's stock soared \$7.50, or 12 percent, on news that it had made a "strategic agreement" with NorthPoint Communications Holdings Inc. to provide high-speed DSL (Digital Subscriber Line) Internet services to its customers. Still, Tandy trades at a P/E of 26, not unrealistic for a company increasing its earnings by 18 percent annually.

Two other household names that Mr. Wald has bought recently are AnnTaylor Stores Corp., the women's apparel chain, whose price has tripled in the past 12 months but which still trades at a P/E of 28 (again, based on estimates for the year ahead), and Bausch & Lomb Inc., the contact-lens maker.

Unlike some mid-cap funds, which, in sneaky fashion, own large-caps to boost their returns, Invesco Dynamics sticks to a strict mid-cap regime. Mr. Wald and Mr. Miller sell stocks when their prices rise so much that they exceed the \$10 billion limit.

The fund, which carries an expense ratio slightly below average, has produced exceptional returns — an annual average of 23 percent for the past five years, compared with 19 percent for the mid-cap index and not far from the S&P 500's mark of 27 percent.

Mr. Wald and Mr. Miller are bottom-up analysts; they pick stocks, not sectors, but their style is what they call "classic growth." They look for companies with muscular earnings increases over time — not the short-term acceleration that momentum players seek. They keep a well-balanced portfolio — about 100 stocks — none of them representing more than 2 percent of the portfolio.

Among their more surprising choices are regional banks, including Zions Bancorp. in Salt Lake City, and First Tennessee National Corp., whose dividend, yielding 1.8 percent, has been growing at 13 percent annually for five years.

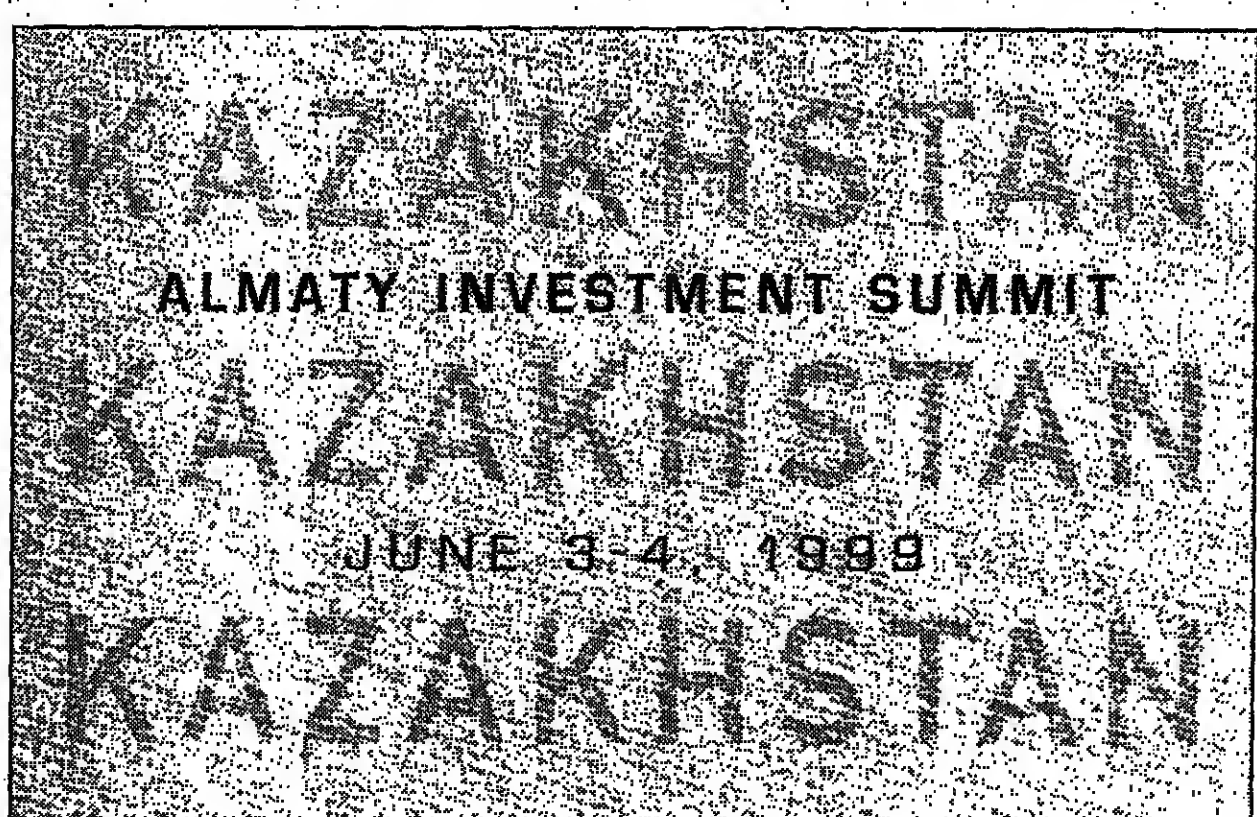
Where do mid-caps fit into your portfolio? Most asset-allocation skip them entirely, instead telling you to keep 10 percent of your money in small-caps. You should not ignore small-caps, certainly. But don't pass up mid-caps either — especially when you can find growth at these prices.

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James K. Glassman's e-mail address is jglassman@iht.com. He welcomes comments, but cannot answer all queries.

For further information:

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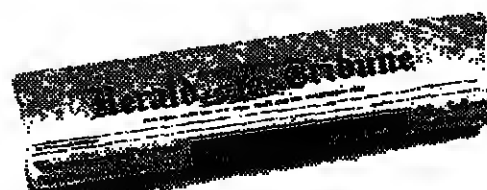
With the support of President Nursultan Nazarbayev and the Kazakhstan government, this summit will provide a valuable insight into the investment opportunities Kazakhstan has to offer.

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## THE MONEY REPORT

## For Norway and Switzerland, Risks on the Fringe

By Aline Sullivan

SINCE FIVE of its seven members joined the European Economic Area at the trading bloc's birth in 1994, the European Free Trade Association, or EFTA, has been busy making itself obsolete. In 1995, three of those five countries then left EFTA for the European Union and two of them, Austria and Finland, have since adopted the single European currency. The third, Sweden, is thinking about it.

That leaves the EFTA members Norway and Switzerland, the only significant economies in Western Europe still outside the European Union. The other two remaining EFTA countries, Iceland and Liechtenstein, barely register in most investors' consciousness. (Although that may soon change, with Iceland's economy outstripping that of every European country except Ireland.)

Its gross domestic product will grow 5.6 percent this year and 4.7 percent next year, the International Monetary Fund predicted Monday.

Norway and Switzerland are starting to feel their isolation. Growth is minimal in both countries and the relative

strength of their currencies against the euro is not helping their companies, most of which rely upon exports to neighboring countries. Some investors are betting that Switzerland, long the fierce outsider in the heart of Europe, will soon join the European Union and adopt the single currency.

"Switzerland is for the first time in centuries a realistic candidate for participation in a broader Europe," said Michael Levy, managing director and head of international equities at Bankers Trust in New York.

The central bank, government officials and business community all favor joining the EU," he added. "They know that the risks of staying out, particularly the high stock market and currency volatility that comes with being surrounded by one currency, far outweigh the advantages. But they still have to convince the cautious."

That will take some doing. Many Swiss cantons are famously conservative and most have soundly rejected any proposals to participate in the EU.

But Mr. Levy thinks it is possible that Switzerland will join the EU and adopt the euro by 2002, along with Britain,

Denmark and Sweden. In the interim, he has limited exposure to the country.

"We are interested in only a few companies," he said, "notably Compagnie Financière Richemont AG, which is fairly inexpensive despite an interesting portfolio of luxury goods and tobacco, and the two big global banks, UBS AG and Credit Suisse Group."

Sharon Coombs, a European investment strategist at HSBC James Capel in London, agreed, saying that the banks offered relatively good value following their well-publicized reorganizations earlier this year and in anticipation of improving business with Asia.

She is also bullish about some Swiss pharmaceutical companies, particularly Novartis AG, the world's second-biggest drugmaker, which has many interesting products in its pipeline.

Norway's problems will be harder to solve, largely because its economy is so dependent on oil. The country is the world's second-largest oil exporter, behind only Saudi Arabia. Oil sales account for 15 percent of its annual revenues. Many of its other big industries, notably shipping, are linked to the oil sector.

The government is battling low oil prices with interest-rate hikes and a tight fiscal policy. But the future looks bleak. Norges Bank earlier this week forecast economic growth of just 0.75 this year, down from 2 percent in 1998. Consumer confidence is at record lows and domestic spending is deteriorating.

Worse still, public-sector investment is drying up following the completion of the Oslo Airport and several big hospitals.

Few analysts have much that is positive to say about Norway's big companies. But Carmen Nezzo, Scandinavian strategist at Salomon Smith Barney in London, says she is more optimistic about the country than many of her counterparts at other investment banks.

"There will be a very sharp slowdown this year, which is necessary after such a long period of economic growth," she said. "But it won't turn into recession. Instead, growth will start to pick up again next year."

She forecast a 0.5 percent rise in on-shore gross domestic product (GDP excluding oil revenues), down from 2.9 percent last year. The rate is expected to rise to 1.5 percent next year and climb slightly but steadily thereafter.

## Volatile Turkey Offers Investors a Wild Ride

By Judith Rehak

TURKEY'S efforts to join the European Union may have been deflected for now, but its volatile domestic politics have far more impact on investor fortunes.

That was demonstrated this week as politicians and investors tried to sort out the results of national elections. In a major surprise, the Nationalist Action Party, a marginal ultrarightist group, vaulted into second place behind the Democratic Left Party headed by Prime Minister Bülent Ecevit. As predicted, Mr. Ecevit came out on top, but he will now be obliged to form a coalition, probably with the Nationalist party and possibly with a third party.

"The encouraging thing is that the affected voters went to the Nationalist party instead of the Islamic Fundamentalists," said Radhika Ajmera, portfolio manager for the Aberdeen Prolific Turkish Opportunities Fund. But she added quickly, "The NAP is a wild card, since no one knows what its economic policies are."

Turkey has already given its investors a wild ride. Last year, Istanbul's boom-bust stock market was the second-worst performer in the world after Russia, plummeting 51 percent in dollar terms. This year, the index has rocketed more than 40 percent in dollar terms, rising to a record on Wednesday, amid hopes that the new government would continue economic reforms.

Turkish investment funds have followed suit. Ms. Radhika's fund is up more than 50 percent since the first of the year, and the closed-end Turkish Investment Fund was up 33.8 percent.

Now the question for investors is whether the government will be strong enough and stay in office long enough to deliver badly needed economic reforms.

"Whatever government is in power, they must resolve the social security situation, work on the banking system,

get inflation under control, and take the necessary medicine to obtain loans from the International Monetary Fund," said Elizabeth Morrissey, managing partner of Kleiman International, an emerging-markets consultant.

Ms. Morrissey said that the EU issue is more political than economic. She noted that Turkey has a huge domestic consumer market of 60 million people, and while not a member of the EU, already benefits from its membership in the European customs union, which has raised its export quotas.

Turkey has also profited enormously from the opening of Central Asia, where many of its major banks and construction companies have operations, she added.

Understandably, the political uncertainties have caused investors in Turkey to take a defensive stance. Ms. Ajmera is sticking with food retailers like Migros Turk TAS, which she described as a well-managed blue chip, and Tanas AS, an Izmir-based supermarket group. She also likes Birciyas Bircilik and Ege Bircilik in the brewery sector. The two companies are slated to merge and list in the United States later this year.

She also owns Yapi ve Kredi Bankasi, one of the country's largest banks, which has another attraction—a 12 percent holding in the Turkish cellular phone company, which will eventually go public.

Jaldeep Khanna, who manages the Turkish Investment Fund, agreed that retailing, insurance and financial sectors look attractive. Although banks were the leading gainers last week, he noted that in dollar-adjusted terms, they are still trading at roughly 1.5 times book value, compared with Greek bank stocks at 4.5 times to 5 times book value.

For more information:

• ABERDEEN PROLIFIC TURKISH OPPORTUNITIES FUND: Telephone 333 1 776 8836.  
• THE TURKISH INVESTMENT FUND is listed on the New York Stock Exchange (symbol: TKF).

## The Benefits of the Euro-Not-Yet-Ins

Continued from Page 19

from several years of strong growth.

"The economy has had too much of a good thing," said a report by Merrill Lynch & Co. "That has pushed Denmark's inflation up, its international competitiveness down and its current-account balance into the red."

During the last years, Mr. Rambour said, the stock market also did well, led by TeleDanmark AS, the national phone company.

Investors have taken profits, pushing TeleDanmark down about 15 percent this year, he said. There has also been selling of shares in the banking industry, which is undergoing heavy con-

solidation. He noted that Gartmore's managers had "added just a bit to Denmark; we thought it was due a bounce."

The bounce in Sweden has been helped by the rise in the krona against the dollar and euro. Another lift was supplied by the merger of Swedish and British drugmakers that produced AstraZeneca. Mr. Rambour said that fund managers who tried to replicate the performance of the main Swedish market index have bid up the new company's stock to match its index weight.

Sweden is a favorite among institutional investors, with Lehman Brothers and Morgan Stanley Dean Witter strongly overweighting it in model portfolios. They

also recommend British stocks, but not with less enthusiasm.

Britain has enriched international investors by not being in EMU. As with the krona, the pound has risen against the euro, although it has fallen against the dollar in recent months. The British economy has also managed to avoid the malaise afflicting much of the euro zone, further strengthening share prices.

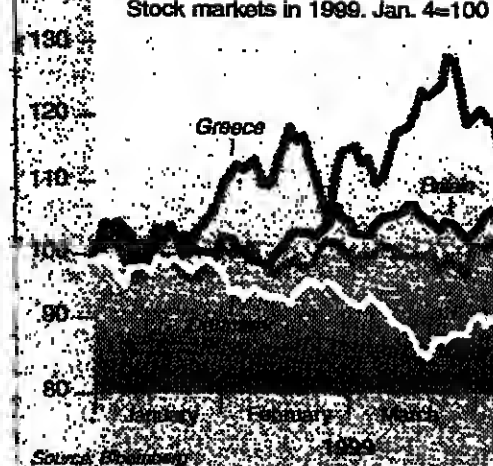
"The prospects for the U.K. economy are much improved and a growth rebound is on the horizon," said Richard Crehan, a Morgan Stanley equity strategist.

For further information:

DARTMORE INVESTMENT MANAGEMENT: Telephone 44 171 782 2000.

## Next in Line For Euroland

Stock markets in 1999, Jan. 4=100



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April 23, 1999

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The data in the list above is the latest available by the fund groups to Standard & Poor's Fund Reports. It is not intended to be a recommendation to buy or sell any fund. Investors should consult with a qualified independent advisor before investing.

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Union said Wed-oud ban U.S. beef e 15 unless Wash- the meat had no hormones. Page 11.

Page 7.

Page 5.

Pages 6-7.

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WORLD ROUNDUP

Unseeded Golmard Beats No. 1 Moya

TENNIS Jerome Golmard, an unseeded Frenchman, knocked out Carlos Moya, the top seed and reigning champion, Friday in the quarterfinals of the Monte Carlo Open. Golmard beat his Spanish opponent, 6-7 (5-7), 6-3, 6-0.

Moya took 67 minutes to win the first set, and just 62 minutes to lose the next two.

Golmard will face Marcelo Rios, the 1997 winner, in the semifinals. The Chilean, seeded No. 5, beat Mark Philippoussis, the No. 3 seed, 6-2, 6-7 (2-7), 6-4. The Australian was betrayed by 49 unforced errors, only partly balanced by 11 aces.

Gustavo Kuerten, a Brazilian seeded No. 13, beat Vince Spadea of the United States, 6-3, 6-3, in just 64 minutes.

Kuerten will play Felix Mantilla, the No. 15 seed, who took two hours and 46 minutes to beat his fellow Spaniard Carlos Costa, the No. 10 seed, 6-4, 6-7 (2-7), 7-6 (7-4). Costa saved a match point in the second set but then wasted four match points in the final set.

(AP, AFP)

Cricketer Guilty of Rape

CRICKET Makhaya Ntini, a fast bowler who made history when he became the first black to play for the South African national team, was convicted Friday of rape. He was immediately dropped from the country's World Cup squad.

Ntini, 22, broke down and wept after the verdict was pronounced, and had to be helped from the courtroom, the SAFA news agency said. He remained free on bail, but was ordered to surrender his passport. Sentencing was set for May 27. Hours later, the United Cricket Board dropped Ntini from the 13-member team due to head for Britain for the World Cup in May. He will be replaced by Alan Dawson. (AP)

49er Reserve Is Charged

FOOTBALL The San Francisco 49ers' reserve quarterback, Jim Druckenmiller, was charged with rape in an indictment unsealed Friday in Montgomery County, Virginia.

The one-paragraph indictment said the crime took place March 4, and that the woman and a detective testified before a grand jury on April 13. (AP)

U.S. Women Beat China

SOCCER After missing numerous opportunities, the U.S. women's team salvaged a 2-1 exhibition victory over China two minutes into extra time on a rebound shot by Tisha Venturini. The game Thursday night in Hershey, Pennsylvania, matched two of the favorites for the women's World Cup, this summer. (NYT)

109-Minute Shutout: Tigers Stop Red Sox Ausmus Homers in Season's Quickest Game

Compiled by Our Staff From Dispatches

DETROIT — The Boston Red Sox may not hit, but at least they're quick about it.

In nearly less time than it took manager Jimmy Williams to concoct a lineup for the occupants of slots 3 through 9 had no home runs this season, the Red Sox fell, 1-0, to the Detroit Tigers and

left-hander Justin Thompson, who got last-inning help from Tigers closer Todd Jones.

The pace of the game Thursday night — 1 hour 49 minutes, the shortest game so far this season — was tribute, too, to the exquisite pitching of the Sox starter, Mark Portugal.

Portugal set down 19 straight Tiger batters, only to throw a first-pitch fast-ball that Brad Ausmus drove over the right-field wall in Tiger Stadium with two outs in the eighth inning.

The Red Sox initiated little action until Damon Buford threw a ball that he topped in front of the plate to start the fifth.

Thompson didn't allow another hit until Donnie Sadler hit a ball off his fists into right field for a bloop single to open the ninth.

The Tigers' manager, Larry Parrish, went to the bullpen for Jones. Williams, whose 13th different lineup in 15 games was an all-right-handed affair featuring Lou Merloni at first, Sadler in left, and Creighton Gubanich making his big-league debut behind the plate, countered with Reggie Jefferson to bat for Darren Lewis.

Devil Rays 1, Orioles 0 Tony Saunders came within four outs of a co-hitter, and Tampa Bay sent visiting Baltimore (3-12) to its sixth straight loss. The Orioles are off to their worst start since going 0-21 in 1988.

Rockies 5, Giants 5 In San Francisco, Dante Bichette's two-run homer highlighted a five-run first in which the Rockies had seven straight hits.

The Rockies, playing for the first time since the fatal shootings at Columbine High School in suburban Denver, had "CHS" patches on their right sleeves in memory of the victims.

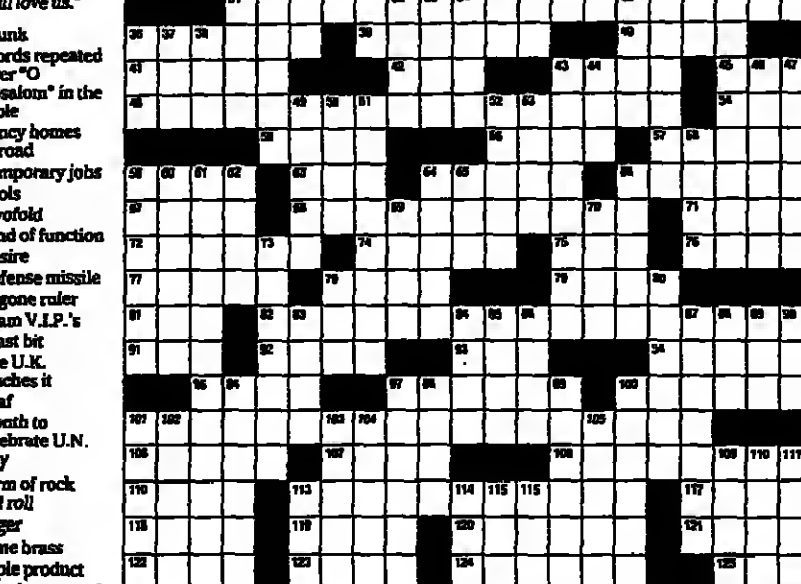
Neifi Perez began the first-inning outburst with a double off Kirk Rueter (1-1) and Larry Walker followed with an RBI single. Bichette then hit his second homer of the season down the left-field line.

Met 4, Reds 1 In Cincinnati, Todd Pratt, filling in at catcher while Mike Piazza is on the disabled list, homered for the second straight game.

Pratt has driven in nine runs in the 11 games since Piazza hurt a knee and has three homers — one more than his 1998 total. He is batting .318 (14-for-44) this season after hitting .275 with 18 RBIs last year.

Al Leiter (1-2) struck out eight in 6 1/2 innings, allowing one run, five hits and two walks. John Franco, New York's fourth pitcher, threw a 1-2-3 ninth for his sixth save in six chances.

Seattle at Chicago, in the American League, and Houston at Chicago, in the National, were both postponed by rain. (Boston Globe, AP)



Stan Javier of the Giants attempting to catch a double batted to left field by Neifi Perez of the Rockies.



Muhammad Ali, right, listening to his friend Howard Bingham during a U.S. Senate hearing on boxing.

Ali Calls for Laws to Curb Promoters

By Athelia Knight  
Washington Post Service

WASHINGTON — Muhammad Ali, the former heavyweight champion, called for federal legislation to protect professional boxers from the "dishonest ways" of some promoters and managers and to salvage the industry's image.

Ali was one of eight witnesses to appear before the Senate Commerce Committee at a hearing Thursday on the reform of the sport. Other witnesses included Elint Spitzer, the New York state attorney general, Mills Lane, a boxing referee and Dan Goossen, a promoter.

Ali has become "increasingly upset about the scandals which have occurred in professional boxing over the past few years and how the industry works," the boxer's longtime friend, Howard Bingham, read in a statement from Ali to the committee. "Anybody who follows boxing knows promoters have tremendous power and there is no credibility in the

ratings of boxers. That hurts the sport."

The controversial draw in the Evander Holyfield-Lemmy Lewis heavyweight bout on March 13 in New York pushed concerns about abuses in boxing to the forefront. At the hearing Thursday, the Commerce Committee's chairman, John McCain, Republican of Arizona, showed a videotape of the end of the fight. Fans booed as the decision was announced.

The bout "was the latest symptom of how entrenched conflicts of interest are crippling boxing," McCain said.

In his statement, Ali said the Holyfield-Lewis bout "was supposed to restore some meaning to the title of heavyweight championship of the world. Instead, the bout showed how a once great sport had reached its lowest point."

Ali, who suffers from Parkinson's disease and has difficulty speaking, sat next to Bingham at the witness table but did not address the committee.

McCain has proposed legislation that he says will protect boxers from exploitation. His bill would give boxing more control over their careers by requiring that contracts between athletes and promoters be kept to a finite length. The bill also would set guidelines for the organizations that rate boxers and require promoters to inform state boxing commissions of charges, costs and fees that they take out of a boxer's purse.

McCain and Senator Richard Bryan, Democrat of Nevada, a co-sponsor of the bill, said the way boxers are ranked by the various boxing sanctioning organizations is inconsistent. In some instances, a champion is recognized by one body and ignored by another.

Bryan said the state boxing commissions needed to improve the way they screened judges for fights.

Greg Sirb, president of the Association of Boxing Commissions, which includes U.S. state boxing commissions, said it was hard to look young boxers in the eye and say, "You got a good sport — stick with it."

SCOREBOARD

BASEBALL			
MAJOR LEAGUE STANDINGS			
AMERICAN LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
Toronto	12	4	.750
New York	9	5	.643
Tampa Bay	7	7	.500
Boston	8	7	.533
Baltimore	3	12	.200
CENTRAL DIVISION			
Team	W	L	Pct.
Cleveland	7	6	.538
Chicago	7	6	.538
Detroit	7	8	.469
Philadelphia	7	7	.500
Kansas City	5	9	.357
WEST DIVISION			
Team	W	L	Pct.
Seattle	8	8	.500
Oakland	9	9	.500
Seattle	6	9	.400
Anaheim	6	10	.375
NATIONAL LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
Atlanta	9	5	.643
New York	10	6	.625
Philadelphia	7	7	.500
Milwaukee	6	8	.429
Florida	4	11	.267
CENTRAL DIVISION			
Team	W	L	Pct.
St. Louis	9	5	.643
Houston	8	6	.571
Pittsburgh	8	6	.571
San Diego	8	7	.538
Chicago	5	8	.385
Cincinnati	5	9	.357
WEST DIVISION			
Team	W	L	Pct.
San Francisco	10	7	.588
Arizona	9	7	.563
Los Angeles	8	8	.500
Colorado	6	10	.375
San Diego	7	8	.467

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**SEZ WHO? By Joe DiPietro**

ACROSS

- Junior high sub.
- Neil Simon play locale
- Flexibility, electrically
- Figure on the ceiling of theistine Chapel
- Scale
- Symphony with a noted funeral march
- Ad writer's award
- Kind of weight
- Poddled plant
- It's his name
- Mark McGwire
- Besmann
- Big name in the Big Apple
- Superlative suffix
- Handled
- "Olay, I pulled the plug. So sue me."
- Reply in Rome
- Wolfe, e.g.
- See 70-Down
- Kind of meal
- Response to goo
- Farm layer
- Literary init.
- "You think I'm annoying? Fine, I'm outta here."
- Blow
- Squatter?
- Cabbage
- Typewriter part
- Old-fashioned greetings
- Exclude
- Whistleover
- Amal fur
- He was translated into Latin
- All excited
- God of discord, in Scandinavia
- Witz
- Turned into
- Middlesex
- Publishing sensation of 1968
- First name in TV talk
- Old car with a Turbo
- Hydramatic gearbox
- Former British prelate
- Sierra
- Power control, for short

DOWN

- Right at one's peak
- Western Athletic Conference player
- "Gimme a dozen donuts. And step on it"
- For this or that
- Subterfuge
- Suspense case
- Occurred
- Jeopardy!
- Chin stroker's words
- Boat
- People left in ruins
- "Hokey, you're wearing THAT!"
- God news source
- Kilo
- Rogaine user's hope
- Muslim pilgrim
- "Don't I look fetching in this dress from Warsaw? Hoh, huh!"
- Local locale
- Forbush's baseball conference, informally
- Part
- 1930's-50's actor
- Naish
- "War" e.g.
- Tridings
- Maryland athlete, for short
- West Texas city
- Insect killer
- Richly wrought
- "I'm a rabbit and... and... wait, where was I?"
- Headline
- Williams of "Happy Days"
- Friday's (restaurant chain)
- Math work
- Shred
- With 40-Across, 1944 Chemistry Nobel
- Stand
- 31-Across's grr
- Warner-Lambert competitor
- Modern ice cream flavor
- Nick
- Lived
- (celebrated)
- "chance"
- Song at the start of a church service
- Actor's need
- PC key
- Musical seconds?
- Spots
- Accident
- Con
- Scoreboard figure
- "Who's the Boss?" woman
- "You're a Grand Old Flag" writer
- Old fort
- Orleans's river
- Like some surgery
- Aristobalan final cause
- Caddie's offering
- Flat
- Excess amount
- Arise E.S., e.g.
- Flit (about)
- Prefix with washed

**Solution to Puzzle of April 17-18**

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## SPORTS

Heat Powers  
By Magic in  
Eastern Race

The Associated Press  
Alonzo Mourning had 18 points and 17 rebounds, and the Miami Heat overcame a 22-point first-half deficit to beat the Orlando Magic, 75-70, in a battle for first place in the Eastern Conference.

The Heat (29-13) opened a one-game lead over the Magic (29-15) in the East, where the team with the best record gets the home-court advantage throughout the conference playoffs.

Miami shot a franchise-low 22.9 per-

## NBA ROUNDUP

cent in the first half Thursday in Orlando and trailed, 36-23, at the break. The 23 points were only three more than the NBA-record low for a half, set by New Orleans at Seattle in 1975.

But the Heat made their first seven shots of the third quarter and outscored the Magic, 33-13, in the period to take a 55-49 lead going into the fourth quarter.

Hawks 106, Celtics 94 Steve Smith scored 26 points and Atlanta held visiting Boston without a field goal for nearly seven minutes in the third quarter.

The Hawks, fourth in the Eastern Conference, closed to within two games of Indiana for the Central Division lead as they tried to secure home-court advantage in the first round of the playoffs.

Boston, playing without Ron Mercer, who is out with back spasms, and Antoine Walker, who has a sprained ankle, led through most of the second period but the Hawks took control by starting the third with a 10-0 run.

Hawks 106, Pistons 96 Allen Iverson scored 28 points and The Rattlers added 19 points and 13 rebounds as Philadelphia defeated Detroit.

The victory moved Philadelphia into fifth place in the Eastern Conference playoff race, a half-game ahead of Milwaukee and one game ahead of Detroit. The Sixers have won three straight, while the Pistons lost their third in a row and sixth in seven games.

Joe Dumars led host Detroit with 19 points and nine assists, but Philadelphia held Grant Hill to just 12 points, including four in the second half.

Spurs 103, Mavericks 76 In San Antonio, David Robinson scored 18 points and Tim Duncan added 14 points and 10 rebounds as the Spurs beat the Mavericks.

The Spurs won their fifth straight overall and 10th in a row at home. They have won 24 of 28 games since March 1 to move within two games of first-place Utah in the Midwest Division.

Malik Rose added 14 points for the Spurs. Michael Finley scored 20 points for Dallas, which had a two-game winning streak snapped.



Byron Dufour, the Bruins' goalkeeper, sprawling to block a shot by Jeff O'Neill, left, of the Hurricanes.

## Bruins Blow Away Hurricanes, 2-0

The Associated Press  
Rob DiMaio and Ken Belanger netted third-period goals as the Boston Bruins defeated Carolina, 2-0, in the Hurricanes' first playoff game since 1992, when the team played in Connecticut as the Hartford Whalers.

DiMaio had seven goals during the regular season and Belanger had just two, but the pair scored 5:47 apart on Thursday night to break a scoreless tie.

## NHL PLAYOFFS

and give the visiting Bruins a 1-0 lead in the best-of-seven Eastern Conference playoff series.

Meanwhile, Byron Dufour, who led the league with 10 shutouts, stopped all 19 shots by the Southeast Conference champion Hurricanes.

Carolina, which moved from Hartford to Greensboro in 1997, played most of its first playoff game in the state of North Carolina without the veteran Ron Francis. He injured his right ankle midway through the first period.

Francis 2, Maple Leafs 0 John Vanbiesbroeck stopped 25 shots, including a penalty shot by Mats Sundin, as Philadelphia beat the Maple Leafs in Toronto to take the opener of their first-round Eastern Conference series.

Valeri Zelepukin, John LeClair and Eric Desjardins scored the goals, and the Flyers' checking frustrated the highest-scoring team in the National Hockey League.

The Maple Leafs led the NHL with 268 goals during the regular season but were continually thwarted by the Flyers.

Devils 3, Penguins 1 Petr Sykora scored twice as host New Jersey beat Pittsburgh in the opener of their Eastern Conference playoff series.

Martin Brodeur had 24 saves, Patrik Elias set up two goals and Jay Pandolfo scored into an empty net as the Devils struggled more than expected against the eighth-seeded Penguins, who probably had more good scoring chances than New Jersey.

Jan Hrdina was the only Penguin to beat Brodeur, but the Devils' goaltender had to come up with at least seven good stops to prevent Pittsburgh from tying the game at 2-2.

Blues 3, Coyotes 1 In Phoenix, Al MacLean had a goal and two assists, and St. Louis beat the Coyotes to take a 1-0 lead in their first-round series.

Grant Fuhr had 26 saves and did not allow a goal until Robert Reichel put a wrist shot past him with 1:52 left in the game. But the Blues' steady defense sealed the contest when MacLean picked up a loose puck and sent it to Scott Pellerin for an empty-net goal with 41.1 seconds remaining.

Fuhr also assisted on the play as he improved to 87-44 in the postseason, with 16 victories in 17 games against the former Winnipeg Jets. His 87th moved him one behind Billy Smith's No. 2 on the all-time playoff-victory list. Colorado's Patrick Roy leads all goalies with 99.

The San Jose Sharks game against the Colorado Avalanche, scheduled to be played in Denver, was postponed because of the fatal shootings at Columbine High School in Littleton, Colorado.

## Colorado Tries to Regain Focus

In Denver, the Colorado Avalanche tried gamely to get back into a hockey mindset, the Associated Press reported.

Practice on Thursday, the team's first full workout since the shooting rampage at a suburban high school, got off to a tough start, "and that's very understandable," the Avalanche coach, Bob Hartley, said.

"I can tell you that I wouldn't have accepted that kind of start if we hadn't known the kind of tragedy that happened," he said. "But our concentration got better as the practice went on."

Hartley said he had no doubt his team would be ready for its first-round playoff game with the San Jose Sharks on Saturday.

The series was supposed to open in Denver, but because of the tragedy, it was moved to San Jose.

"Everyone is very sad," he said. "But we just have to focus on Game 1, and I trust my players will be ready for that game."

"We made the decision to reschedule for the community," he said. "Now we have to find a way to support our community by winning hockey games."

Zalgiris Makes Its Run  
And Wins Title in Style

Lithuanians Ambush Kinder Bologna in Final

By Frank Lawlor  
Special to the Herald Tribune

MUNICH — In Lithuania, they have saying about their national sport: "Put five Lithuanians together and you have a basketball team."

The updated version should go: "Put nine unknown Lithuanian kids together with three National Basketball Association veterans and you really have a team."

## EUROPEAN BASKETBALL

In fact, you have a European champion.

In a sport that craved offense, Zalgiris of Kaunas, Lithuania, hit the ground running and didn't stop until it had destroyed Kinder Bologna, 82-74, in a thrilling final Thursday night.

Everyone, from its vanquished opponents to NBA visitors agreed: Basketball should be this fun all the time.

Zalgiris woo "with style," said Tyus Edney, the team's point guard and the tournament Most Valuable Player. That style was a freewheeling, risk-taking open-court attack sparked by Edney hot joined justly by his young, unheralded Lithuanian teammates.

In 1998, Kinder woo the title by holding its opponent to 44 points. On Thursday, Zalgiris had 45 points at halftime.

"I think that when we step on the court, everyone has to have respect for the spectators," said Jonas Kazlauskas, the Zalgiris coach. "Sure, to win is the most important thing, and sometimes there is no other way than by playing very good, very tough defense. But if you have a lineup that can play good offensive basketball, out of defense, I think that would be good for everybody, good for the spectators and good for basketball."

That marks a philosophical shift for European coaches who have cleaved to the Yugoslav formula of winning with constrictive defense.

"We have the same problem in the NBA," said Kevin McHale, the Minnesota general manager, who was in Munich to convince Radoslaw Nesterovic, the Kinder center, to try the NBA.

"When I played in the '80s, we scored 100 points every night. Now, if you reach 100 points, it's a happening. These guys from Zalgiris play the game the way it should be played, up and down the court. It's fun to watch."

Ettore Messina, the Kinder coach, joined the fun, playing four guards at once in a valiant attempt to make up a 20-point deficit. He said defense has been a constant because it gets teams through tough times when scorers are hurt or slumping. "People only remember we won a low-scoring championship game last year, yet we have many EuroLeague

wins in two years with over 80 points," he said. "But if you play against a team that plays a slow game, it is usually easier for that team to dictate the rhythm of the game."

Not this week. Against Olympiakos Athens in the semifinal, Zalgiris took a 15-point halftime lead. Olympiakos froze into its ball-control offense, and Zalgiris was able to rest players, including Anthony Bowie, an NBA veteran.

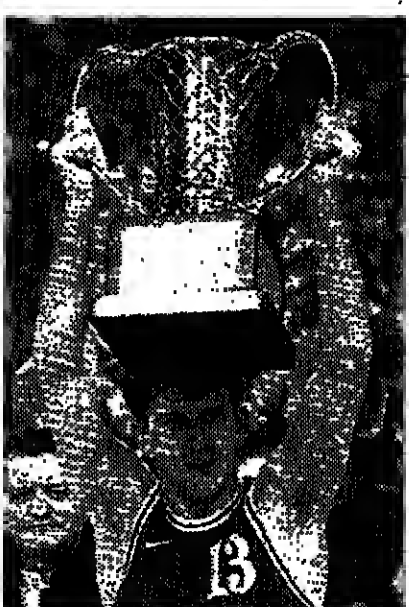
In the final, Zalgiris, which has a \$5 million annual budget, ambushed Kinder, a team which spends an estimated \$15 million a year, in the same way. Edney and Bowie were not the entire difference.

An all-Lithuanian lineup, led by forwards Mindaugas Kazlauskas and Dainius Adomaitis, stretched an eight-point lead to 14.

The lead peaked at 68-48 with 8:14 to play before Kinder turned into last-second gunslingers. Antoine Rigauden, a French guard, launched three-point shots in a six-minute 22-8 run that turned a blowout into a 76-70 nail-biter with two minutes left. But Bowie, with a steal and three-point shot, ended the suspense.

Messina went to congratulate Kazlauskas with 20 seconds on the clock. The dominant and sometimes deafening Kinder fans then joined in a standing ovation that lasted 10 minutes.

On court, Jiri Zidek, a Czech center, lifted Edney as he had in 1995 when both played for UCLA when it won the NCAA title. "It's just as good," Edney said. "The NBA is tough, but I'll tell you, these guys amaze me the way they play sometimes. We do have style."

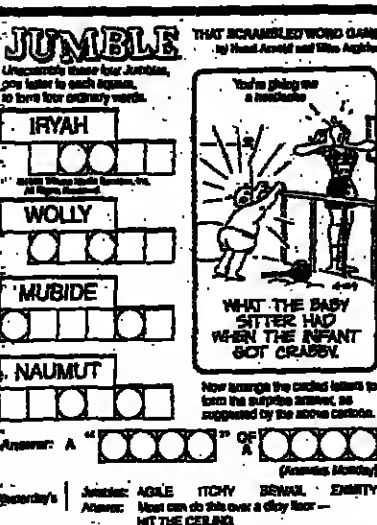


Darius Maskoliunas of Zalgiris Kaunas holding aloft the EuroLeague Basketball Champions Cup.

## DENNIS THE MENACE



"I GOT THE FEELING HE'S GOING OVER OUR HEADS!"



Answer: A "0000" OF "0000"

Answers: AGLE, ITOP, BRON, EMITY

Answers: Most can do this over a day later - HIT THE CEILING

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## GARFIELD



## BEETLE BAILEY



## BLONDIE



## CALVIN AND HOBBES



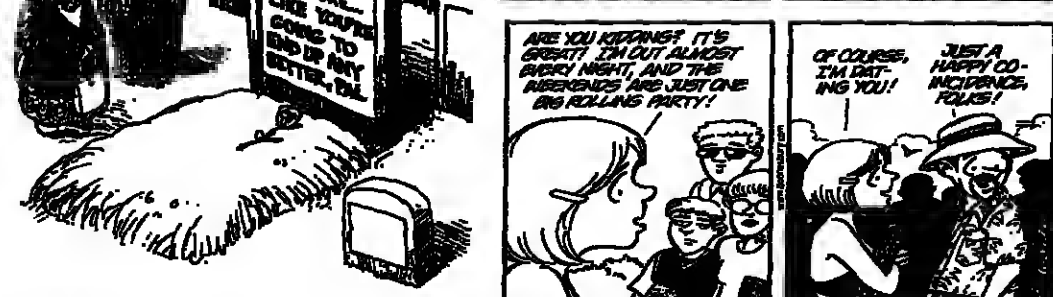
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DAVE BARRY

## Still Partying Hearty

MIAMI — I may be 51 years old, but, darn it, I'm still a "rock and roll kind of animal." So when a friend offered me tickets to a Beach Boys concert, I jumped at the chance. As a result, I strained my back and had to lie down for six days.

But after the pain subsided I was very excited, because I'm a huge Beach Boys fan. I'll never forget the first time I saw them in person, back in 1964, at a fantastic concert in New York. ... Wait, no, it was Philadelphia, and it might have been 1967. Or it might have been the Turtles. It was definitely a plural name. Although I'm not 100 percent sure I was there.

But the point is I've loved the Beach Boys since wayyy back when I was in junior high school, and America was happy and carefree because the Civil War was finally over. I went through puberty with the Beach Boys (not literally, of course; we all had separate rooms). Their songs expressed a new kind of feeling that was stirring deep within the bowels of my loins; a feeling of vulnerability, of tenderness and — yes — of sexual desire.

For cars, I mean. When the Beach Boys sang, "She's real fine, my 409... my four-speed, dual-quad, Post-Track 409," they were giving voice to the fantasy of every purple-speckled male at Harvard Crittenden Junior High. We lust for Post-Track! Whatever it was!

I still know all the words to all the Beach Boys' car songs. When I'm driving and the radio plays "Shut Down," which is about a drag race, I sing along at the top of my lungs: "He's hot with ram induction, but it's understood: I got a fuel injected engine sittin' under my hood." The truth is that I have no idea what kind of engine I have sittin' under my hood. I could have a food processor sittin' under there. But the Beach Boys still make me feel like Mr. Stud Piston.

And the Beach Boys were not just limited to car songs. They took on the important social issues, too, in songs such as "Be True to Your School" (actual lyric: "Rah rah rah sis boom bah!") and "I Get Around" (actual lyric: "I'm a real cool head! I'm makin' real good bread!").

They don't make music like that these days. In fact, sometimes they don't even make MUSIC. I saw a TV show recently wherein a group of "hip hop" DJs competed to see who was the best at making sounds with a record turntable. They'd put the needle on a record, then they'd spin the turntable forward and backward violently, thereby creating unique, by which I mean ugly, noises. I used to do that when I was 7. But these guys were SERIOUS; they had expressions of intense concentration on their faces, as though it took vast artistic skill to simulate the sound of deranged squirrels fighting in an amplifier. A panel of judges looked on, frowning thoughtfully, as though they were listening to Beethoven's Fifth (actual lyric: "Dum dum dum DUM"). I wanted to scream at the TV screen: "A turntable is NOT A MUSICAL INSTRUMENT, you morons! It's an APPLIANCE, like a toaster-oven! Or an accordion!"

So, O.K., I'm too old to appreciate "hip hop." But I'm smack dab in the middle of the Beach Boys' demographic, to judge from the crowd at the concert I attended. Many of us are grayer than we once were, and our loins are larger. But we still know how to "party hearty."

I could have a food processor sittin' under there, I have no idea.

when the Beach Boys stormed onto the stage. O.K., "stormed" is a little strong. "Shuffled" is more accurate. The Beach Boys have gotten older, too. Although some of them apparently have gotten younger. A couple of the ones I saw definitely had not been born yet when they made their first record.

But even though some of the older Beach Boys could enter the Ernest Hemingway Look-Alike Contest, they still SOUND like the Beach Boys, and that was all that mattered. Within 15 minutes the crowd was on its feet (it would have been on its feet sooner, but it has to be careful with its back). The Beach Boys sang a medley of their car songs, and I sang right along with them, and when, together, we sang the technical part of "Little Deuce Coupe" ("She's ported and relieved, and she's stroked and bored") there was genuine emotion in my voice. But the highlight came when the entire crowd joined together to sing "Barbara Ann," all of us united by our inability to remember that one verse that goes something like:

"Tried Betty Sue  
Died the boogaloo  
Went to the zoo  
And I saw a tiger poo."  
It was a great night. And even though I didn't get home until almost 10:20 P.M., I was so excited that I stayed awake until almost 10:27. "Round 'round get around, I get around."

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It was definitely a plural name. Though I'm not sure I was there.

## Cuba Preserves the Hemingway Mystique

By Mireya Navarro  
New York Times Service

CONJIMAR, Cuba — Gregorio Fuentes is 101 years old, but he still welcomes paying visitors to his small living room here to regale them with stories about Ernest Hemingway from a rocking chair.

For more than 20 years Fuentes was the captain of Hemingway's fishing boat, Pilar, which was anchored at times in this fishing town on the outskirts of Havana. He claims to have inspired "The Old Man and the Sea," the 1952 novella about an old Cuban fisherman from Conjimar who catches a giant fish and then has to battle sharks for it.

But Fuentes has not bothered to read this or any of his friend's other books. "What for?" he said in a bellicose tone. "I've lived them with him."

Fuentes is a fixture on a Cuban tourist trail dedicated to Hemingway, whom Cuba flaunts as a national treasure despite four decades of hostility between Fidel Castro's government and the United States. This year, the centennial of Hemingway's birth, commemorations in Cuba include an international colloquium of Hemingway historians and ballet and symphony galas.

Hemingway, who lived, wrote, drank and fished on this island intermittently between 1932 and 1960, is hard to miss in Cuba. His books sell in government curio shops alongside leftist works by Che Guevara. His likeness adorns T-shirts and billboards, and a bronze bust of him donated by local fishermen looks out to the sea from a small rotunda. And his name is attached to landmarks like parks and marinas, to fishing tournaments and to sugar-free daiquiris.

Just as the writer has been thoroughly exploited for tourism in places like Key West, Florida, which drew criticism from the writer's three sons a couple of years ago for tarnishing his image with too much banality, cash-starved Cuba has not let Communism stand

in the way of foreign exchange. A tour of sites, including the lush estate outside Havana where Hemingway lived with Martha Gellhorn and Mary Welsh, his third and fourth wives, cost anywhere from \$15 to \$40 a person. A "Papa Hemingway" daiquiri (lime and grapefruit juice, maraschino and a double shot of white rum) at his old drinking haunts like El Floridita in Old Havana costs \$6.

And Fuentes' 45-year-old grandson, Rafael Valdes, charges visitors \$50 for 15 minutes of the captain's time, although haggling can cut the price by more than half.

Still, American visitors and some Hemingway family members note a special reverence for the man in enemy territory, a personal appropriation by Cubans of a great writer who chose to celebrate their country in his prose.

"Over there, it's like he's more of a real person," said Mina Hemingway, 38, a granddaughter of the writer who lives in Florida and has twice won the women's division of the Ernest Hemingway fishing tournament held at Marina Hemingway in Havana. "They seem to have a real respect, almost awe, for him and his work."

The feeling was mutual. In his 1984 book "Hemingway in Cuba," the exiled Cuban writer Norberto Fuentes, no relation to the captain, said Cuba first lured Hemingway — who used the island as backdrop for "The Old Man and the Sea," "To Have and Have Not" and "Islands in the Stream" — with its abundant marlin fishing, its beautiful scenery and its low cost of living. But in the end, Fuentes said, "Cuba won him completely."

"There he settled, lived, worked, made friends, enjoyed life and transformed his surroundings into art," Fuentes wrote. "What more could a writer demand from his abode?"

When the Cold War and the United States' break with Cuba after the 1959 revolution, interrupted in this love affair, "it was a great tragedy for our family," Pat-



Gregorio Fuentes: a stop on Cuba's Hemingway tourist route.

rick Hemingway, 70, one of the author's sons, said from Montana.

"Any American living in Cuba had to choose," he said, adding that not being able to return to Cuba contributed to his father's depression, which ended with his suicide in 1961. "He really loved Cuba, and I think it was a great shock to him at his age to have to choose between his country, which was the United States, and his home, which was Cuba."

Today, much of Hemingway's life on the island, where the Roman Catholic Church keeps the Nobel Prize medal he won for literature in 1954 and dedicated to Cuba's patron saint, Our Lady of Charity of Cobre, is documented in black-and-white photographs that hang from walls in his house and bar-restaurants he frequented like El Floridita in Old Havana and La Terraza in Conjimar.

Some pictures show him handing out fishing tournament trophies to a young Fidel Castro in 1960, the only time the two met. Although Castro has called Hemingway his favorite author, the extent of the writer's support for the revolution has been the subject of debate.

Pictures also show Hemingway carousing with the likes of Errol Flynn and Gary Cooper. But it was his lack of pretension, outwithstanding his fame, that makes the writer stand out for many Cubans.

"He was very simple," said Evilio Gonzalez, a tour guide at the house on a hill Hemingway bought in 1940 known as Finca Vigia. "His friends were fishermen. He never related to high society."

At the house, now a museum preserving the home just as the writer left it (visitors can only peek from the windows), other passions are in evidence — bullfighting artwork, including a plate with a drawing of a bull's head by Picasso; hunting trophies from safaris in Africa; more than 8,000 books. Outside, the fishing yacht

Pilar, donated to the museum by Fuentes, to whom the writer bequeathed it, sits in a special shed.

Fuentes, a Spaniard who moved to Cuba as a child, said he met Hemingway in 1928 in Dry Tortugas off Florida after both were caught in a storm. In 1934, after Hemingway had visited Cuba several times, Fuentes said, "he told me I'm building a boat and I want you to work with me and be the captain."

Fuentes, the "Antonio" in "Islands in the Stream," was both skipper and cook, becoming a constant companion who took part even in Hemingway's missions on the Pilar hunting German submarines off the coast of Cuba during World War II. He remembers the author as "a man apart," worldly and capable of immense generosity and valor.

"Imagine what kind of man he was that, when we were in Africa, he ordered us to rush and not move because he could smell the lion that was coming to eat him up," Fuentes recalled. "The lion came and scratched him and he stuck his gun into its mouth and killed him."

"Everywhere he went people treated him like a god just arrived from heaven," he added. "I myself considered him a god because he did things I never saw anybody else do."

But it was Fuentes' own exploits that were immortalized in "The Old Man and the Sea," he said, specifically his experience as a young man catching a big fish and fighting sharks all night long to keep them from eating it. "Santiago" in the novella, however, was partly modeled after another Cuban fisherman, Anselmo Hernandez, said Fuentes, the Cuban writer.

Ever since his friend's death, the captain said, he has not worked as skipper for anyone else. Nor has he ever thought of writing his own book about his years with Hemingway. "I have a lot of secrets," he said, vowing never to reveal a single one for all the money in the world.

## PEOPLE

THE post Jose Hierro received the Cervantes Prize from King Juan Carlos in Alcalá de Henares, Spain, on Friday. The honor, the Spanish-speaking world's equivalent of the Nobel Prize for literature, worth 15 million pesetas, (about \$100,000), is awarded annually to writers for their overall contribution to literature in Spanish. Hierro, born in 1922 in Madrid, has published about 20 collections of poetry, including "Cuadernos de Nueva York" (New York Notebooks) this year. In 1937, he published his first poems about the Spanish Civil War. After the war, he was imprisoned for six years. In addition to writing for poetry magazines, he was a literature professor for 30 years at the Menéndez Pelayo International University in Santander, Spain.

A microelectronics pioneer, whose early work on minuscule transistors has helped power the information age, won the world's single largest award for invention. Carver Mead, a professor of engineering and applied science at the California Institute of Technology, was

awarded the \$500,000 Lemelson-MIT prize in a ceremony at San Francisco's Exploratorium Museum.

The Washington Post, The Oregonian of Portland, Oregon, and ABC News have each won two awards for outstanding achievement in foreign reporting. The Associated Press was honored as well. Barton Gellman of the Post was selected by the Overseas Press Club of America for best newspaper or wire service interpretation of foreign affairs for his work on the search for Iraq's hidden weapons. And the newspaper's Kevin Sullivan, Mary Jordan and Keith Richburg won for best foreign reporting "showing a concern for the human condition." The three worked together on "Shattered Lives: The Asian Middle Class." The AP reporters Ken Guggenheim and Niko Price took the award for newspaper or wire service reporting from abroad for their coverage of Hurricane Mitch.

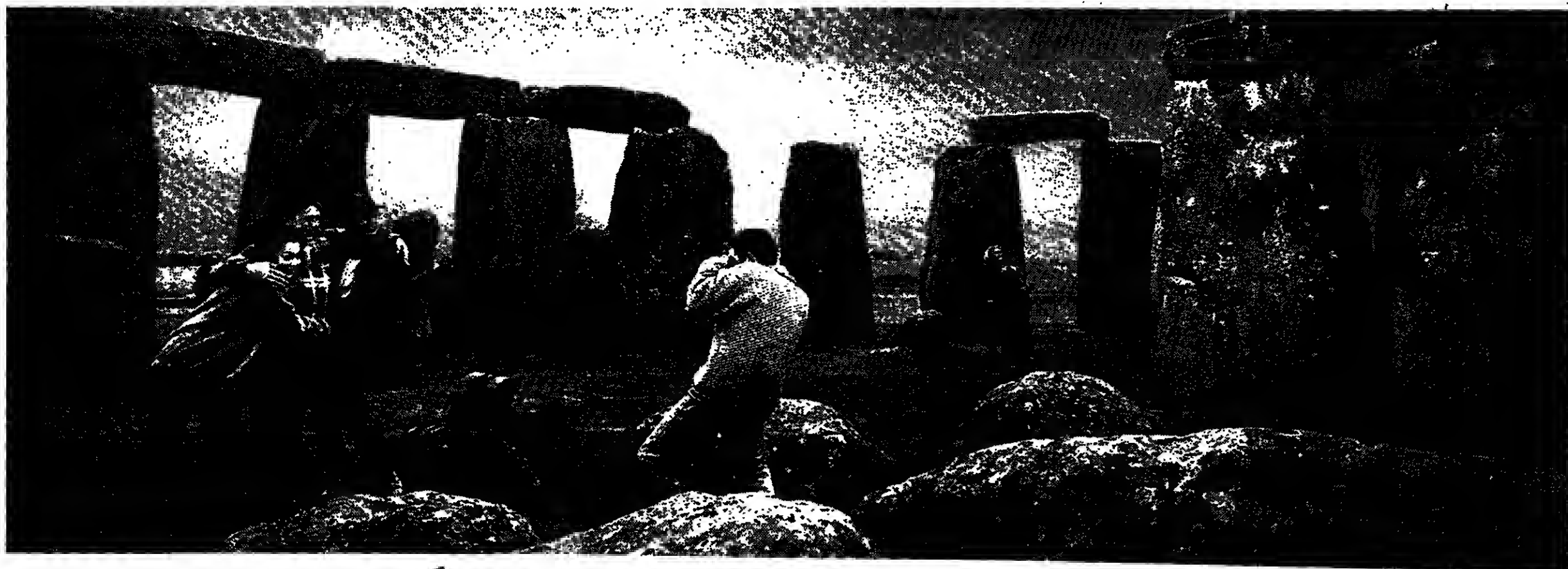
A Russian museum celebrated the 100th birthday of Vladimir Nabokov on

Thursday in a ceremony that also seemed to mark the émigré writer's belated recognition as a Russian national treasure. Surviving members of the Nabokov family blew out candles on a cake in the writer's childhood home in St. Petersburg, which was made a museum last year. Nabokov, the author of "Invitation of a Lady of Chance of Cobre," fled Russia in 1919 and never returned. He died in 1977. He wrote about half his books in Russian but the Soviet regime banned his work until 1987.

The Berlin State Library has appealed for donations to help save 7,800 pages of original handwritten sheet music by Johann Sebastian Bach, which it said are in desperate need of restoration. The library has the world's largest collection of manuscripts by Bach, including the Brandenburg Concertos and "The Well-Tempered Clavier." But it said about two thirds of the sheets have been damaged by sulfuric acid and iron in the ink the composer wrote with. The library is seeking 500,000 Deutsche marks (about \$270,000) to pay for the restoration.



Carver Mead, winner of the Lemelson-MIT award.



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